



PROSPECTUS
of
THE HOUNDSTAR FUND

A UK UCITS
authorised unit trust

Valid as at and dated 17 April 2025

This document constitutes the Prospectus for The HoundStar Fund (the **Scheme**) which has been prepared in accordance with the rules contained in the Collective Investment Schemes Sourcebook (**COLL**) published by the FCA as part of the FCA Handbook made under the Financial Services and Markets Act 2000 (the **Act**).

Thesis Unit Trust Management Limited

Authorised and regulated by the Financial Conduct Authority.

FCA firm reference number: 186882

FARRER&Co

PROSPECTUS
OF
THE HOUNDSTAR FUND

The Scheme is a UK UCITS established in the UK and will be marketed to the public in the UK. It is not intended that the Scheme will be marketed outside the UK.

This Prospectus is intended for distribution in the United Kingdom. The distribution of this Prospectus and the offering of Units in the Scheme may be restricted in other jurisdictions. Potential Unitholders must inform themselves of the legal requirements and restrictions of their own jurisdiction and act accordingly. This Prospectus does not amount to a solicitation or offer by any person in any jurisdiction in which such solicitation or offer would be unauthorised or unlawful.

In particular, the Units have not been and will not be registered under the United States Securities Act of 1933, as amended, or any applicable securities laws of any state of the United States of America. They may not be offered or sold directly or indirectly in the United States of America, its territories and possessions, any state of the United States of America or the District of Columbia or to US Persons. Any re-offer or resale of any of the Units in the United States or to US Persons may constitute a violation of United States law. The Scheme has not been and will not be registered under the United States Investment Company Act of 1940, as amended. The Manager has not been and will not be registered under the United States Investment Advisers Act of 1940, as amended.

The Manager, Thesis Unit Trust Management Limited, is responsible for the information contained in this Prospectus. To the best of the Manager's knowledge and belief (having taken all reasonable care to ensure that such is the case) the information contained in this Prospectus does not contain any untrue or misleading statement or omit any matters required by COLL to be included in it. The Manager accepts responsibility accordingly.

The Trustee is not responsible for the information contained in this Prospectus and accordingly does not accept any responsibility for it under the FCA Rules or otherwise.

Copies of this document have been sent to the Financial Conduct Authority and to the Trustee in accordance with COLL.

The Prospectus is based on information, law and practice at the date hereof. The Scheme is not bound by any out-of-date prospectus when it has issued a new prospectus and potential investors should check that they have the most recently published prospectus. Purchases must be made on the basis of the information contained in the most recently published Prospectus and supplementary documentation, including the latest reports when issued, which are available from the registered office of the Manager. Investors should check with the Manager that this is the most recently published version of the Prospectus.

Potential Unitholders should not treat the contents of this Prospectus as advice relating to legal, taxation, investment or any other matters and are recommended to consult their own professional advisers concerning the acquisition, holding or disposal of Units.

IMPORTANT: If you are in any doubt about the contents of this Prospectus you should consult your professional adviser.

GENERAL WARNING FOR INVESTORS

- Collective investment schemes should be regarded as long term investments.
- The value of the Units in the Scheme is based upon the value of the underlying investments.
- The value of those investments and the income from them and consequently the value of the Units and the income from them, can go down as well as up and are not guaranteed.
- Past performance is not necessarily a guide to future performance.
- Investors may not get back the amount originally invested.
- The Scheme may invest in warrants. A warrant is a time-limited right to subscribe for shares, debentures, loan stock or government securities and is exercisable against the original issuer of the underlying securities. A relatively small movement in the price of the underlying security results in a disproportionately large movement, unfavourable or favourable, in the price of the warrant. The prices of warrants can therefore be volatile.

IMPORTANT: IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS PROSPECTUS YOU SHOULD CONSULT YOUR PROFESSIONAL ADVISER

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1. Definitions

1.1 In this Prospectus the following words and expressions shall have the following meanings:

ACS as defined in the FCA Glossary.

Act means the Financial Services and Markets Act 2000.

Approved Bank means (in relation to a bank account opened for the Scheme):

- (a) if the account is opened at a branch in the UK:
 - (i) the Bank of England; or
 - (ii) the central bank of a member state of the OECD; or
 - (iii) a bank; or
 - (iv) a building society; or
 - (v) a bank which is supervised by the central bank or other banking regulator of a member state of the OECD; or
- (b) if the account is opened elsewhere:
 - (i) a bank in (a); or
 - (ii) a bank which is regulated in the Isle of Man or the Channel Islands; or
- (c) a bank supervised by the South African Reserve Bank; or
- (d) a credit institution established in an EEA State and duly authorised by the relevant Home State regulator,

as such definition may be updated in the FCA Glossary from time to time.

Associate as defined in the FCA Glossary.

AUT as defined in the FCA Glossary.

Business Day means a weekday being Monday to Friday (excluding any public or bank holiday in England).

CASS means the requirements relating to holding client assets and client money published by the FCA as part of the FCA Handbook as amended or replaced from time to time.

CCP as defined in the FCA Glossary.

COLL means the Collective Investment Schemes sourcebook published by the FCA as part of the FCA Handbook as it may be amended, or replaced, from time to time, made under the Act.

Custodian means the person who provides custodian services to the Scheme, being The Northern Trust Company, or its successor or successors as custodian.

Data Protection Laws means all applicable laws relating to the processing, privacy and/or use of personal data including the following laws to the extent applicable in the circumstances:

- (a) the UK GDPR;
- (b) the Data Protection Act 2018;
- (c) any laws which implement any such laws;
- (d) any laws which replace, extend, re-enact, consolidate or amend any of the foregoing (whether or not before or after the date of this Prospectus); and
- (e) all final and binding guidance, guidelines and codes of practice issued by any relevant supervisory authority relating to such Data Protection Laws.

Dealing Day means a Business Day which does not fall within a period of suspension of calculation of the Net Asset Value (unless stated otherwise in this Prospectus) and any such other day as the Manager may decide from time to time and agree with the Trustee.

Depositary Agreement means the agreement between the Manager and the Trustee regarding the appointment of the Trustee as depositary.

EEA means the European Economic Area.

EEA State means a member state of the European Union and any other state which is within the European Economic Area.

efficient portfolio management means techniques and instruments which relate to transferable securities and approved money-market instruments and which fulfil the following criteria:

- (a) means they are economically appropriate in that they are realised in a cost-effective way; and
- (b) means they are entered into for one or more of the following specific aims:
 - (i) reduction of risk;
 - (ii) reduction of cost; and/or
 - (iii) generation of additional capital or income for the scheme with a risk level which is consistent with the risk profile of the scheme and the risk diversification rules laid down in the FCA Rules.

Eligible Institution as defined in the FCA Glossary.

EMIR as defined in the FCA Glossary.

FCA means the Financial Conduct Authority of 12 Endeavour Square, London, E20 1JN or such successor regulatory authority from time to time.

FCA Glossary the glossary giving the meanings of the defined expressions used in the FCA Handbook as amended from time to time.

FCA Handbook means the FCA Handbook of rules and guidance, including COLL, as amended from time to time.

FCA Rules means the rules contained in COLL but, for the avoidance of doubt, not including guidance or evidential requirements contained in COLL.

Financial Instruments as defined in the FCA Glossary.

Fund Accountant means the person who provides fund accounting services, being Northern Trust Global Services SE, UK branch and its successor or successors as fund accountant.

Home State as defined in the FCA Glossary.

International Tax Compliance Regulations means The International Tax Compliance Regulations 2015 (SI 2015/878), as amended or re-enacted from time to time.

Net Asset Value or **NAV** means the value of the Scheme Property less the liabilities of the Scheme as calculated in accordance with the Trust Deed.

Non-UCITS retail scheme means an authorised fund which is not a UK UCITS, a qualified investor scheme or a long-term asset fund.

OECD means the Organisation for Economic Co-operation and Development.

OEIC Regulations means The Open-Ended Investment Companies Regulations 2001 (SI 2001/1228), as amended or re-enacted from time to time.

Register means the register of Unitholders of the Scheme.

Scheme Property means the property of the Scheme to be given to the Trustee for safekeeping, as required by the FCA Rules.

Securities Financing Transaction or **SFT** as defined in the FCA Glossary.

SYSC means the Senior Management Arrangements, Systems and Controls sourcebook issued by the FCA pursuant to the Act, as amended or replaced from time to time.

Total Return Swaps or **TRSs** means total return swaps as defined by the UK SFTR.

Trustee means NatWest Trustee and Depositary Services Limited, or such other entity as is appointed to act as trustee to the Scheme.

Trust Deed means the deed between the Manager and the Trustee constituting the Scheme as may be amended, varied, supplemented or replaced from time to time by agreement between the Manager and the Trustee.

UCITS means Undertaking for Collective Investment in Transferable Securities. This will include a UCITS scheme or an EEA UCITS scheme, each as defined in the FCA Glossary.

UCITS Directive means the European Parliament and Council Directive of 13 July 2009 on the co-ordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (No.2009/65/EC) as amended.

UK AIF as defined in the FCA Glossary.

UK GDPR means Regulation (EU) 2016/679 as it forms part of the law of England and Wales, Scotland and Northern Ireland by virtue of section 3 of the European Union (Withdrawal) Act 2018 and as modified by the Data Protection, Privacy and Electronic Communications (Amendments etc) (EU Exit) Regulations 2019.

UK SFTR as defined in the FCA Glossary.

UK UCITS as defined in the FCA Glossary.

UK UCITS Regulations means the Collective Investment Schemes (Amendment etc.) (EU Exit) Regulations 2019 SI 2019/325 incorporating European directives or other European legislation relating to undertakings for collective investment in transferable securities into UK domestic law following the UK's withdrawal from the European Union.

United Kingdom or **UK** means the United Kingdom of Great Britain and Northern Ireland.

United States or **US** means The United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

Unitholder means holder(s) of registered Units in the Scheme.

Units means a unit or Units in the Scheme.

US Person means a person who is in either of the following two categories:

- (a) a person included in the definition of "U.S. person" under Rule 902 of Regulation S under the 1933 Act; or
- (b) a person excluded from the definition of a "Non-United States person" as used in Commodity Futures Trading Commission (**CFTC**) Rule 4.7.

For the avoidance of doubt, a person is excluded from this definition of US Person only if they are outside both the definition of "U.S. person" in Rule 902 and the definition of "Non-United States person" under CFTC Rule 4.7.

Valuation Point means the point on a Dealing Day whether on a periodic basis or for a particular valuation, at which the Manager carries out a valuation of the Scheme Property for the purpose of determining the price at which Units may be issued, cancelled or redeemed. The current Valuation Point will take place on each Business Day at 12:00 noon.

VAT means value added tax.

1933 Act means the United States Securities Act of 1933 (as may be amended or re-enacted).

- 1.2 Headings used in this Prospectus are for convenience only and shall not affect their meaning or legal effect.
- 1.3 References in the main body of this Prospectus to **paragraphs** mean paragraphs in the main body of this Prospectus unless otherwise stated. Similarly, references in an Appendix to **paragraphs** mean paragraphs in the relevant Appendix unless otherwise stated.
- 1.4 References to the plural shall include the singular and vice versa.
- 1.5 Unless otherwise defined in paragraph 1.1 above or elsewhere in this Prospectus, words or expressions defined in, or for the purposes of, the Act or the FCA Handbook shall bear the same meanings in this Prospectus.
- 1.6 References to statutes, statutory provisions or regulations (including any provision of the FCA Handbook) shall include those statutes, provisions, regulations, or provision of the FCA Handbook as amended, extended, consolidated, substituted or re-enacted from time to time and, in particular, references to Regulations and/or Directives of the European Union shall, where appropriate, include all domestic law and regulation enacted (or re-enacted) for the purpose of bringing such European Union law and regulation into domestic law and regulation.

2. Details of the Scheme

- 2.1 The Scheme is an authorised unit trust scheme and is classed as a UK UCITS. The Scheme is a UK UCITS established in the UK and will be marketed to the public in the UK. It is not intended that the Scheme will be marketed outside the UK.
- 2.2 The Scheme was authorised and established on 11 February 2021 and launched on 24 February 2021. Historical performance figures for the Scheme are given at Appendix 2.
- 2.3 The FCA product reference number of the Scheme is 944745.
- 2.4 The base currency of the Scheme is the pound Sterling.
- 2.5 The investment objective and policy of the Scheme are set out under paragraph 4.
- 2.6 The Scheme is a collective investment scheme in which each investor's funds are pooled with all other investors' funds. The Manager takes reasonable steps to ensure that each investment transaction carried out within the Scheme is suitable for the Scheme, having regard to the investment objective and policy of the Scheme. These Scheme particulars are intended to provide information to potential investors about the Scheme.
- 2.7 Unitholders are not liable for the debts of the Scheme.
- 2.8 The circumstances in which the Scheme may be wound up are set out under paragraph 13 below.

3. Management of the Scheme

3.1 The Manager

- 3.1.1 The Manager is Thesis Unit Trust Management Limited, a private company limited by shares, incorporated in England and Wales under the Companies Act 1985 on 6 February 1998 with company number 3508646.
- 3.1.2 Registered office and head office: Exchange Building, St John's Street, Chichester, West Sussex PO19 1UP.
- 3.1.3 Share Capital: Issued and paid up: £5,673,167.
- 3.1.4 The directors of the Manager are:
- (a) S R Mugford Finance Director
 - (b) D W Tyerman Chief Executive Officer
 - (c) S E Noone Client Service Director
 - (d) D K Mytnik Non-Executive Director
 - (e) V R Smith Non-Executive Director
 - (f) C A E Lawson Independent Non-Executive Director
 - (g) C J Willson Independent Non-Executive Director
 - (h) N C Palios Non-Executive Chair
- 3.1.5 All directors are also directors of ConBrio Fund Partners Limited and members of the governing body of TUTMAN LLP, both authorised fund managers within the same group as the Manager. D W Tyerman, S R Mugford and S E Noone perform senior management functions within those entities. D W Tyerman and S R Mugford also hold directorships of other companies within the Thesis group and perform senior management functions within Thesis Asset Management Limited, which acts as an investment manager for some authorised funds operated by the Manager.
- 3.1.6 D K Mytnik, V R Smith and N C Palios also hold non-executive directorships of other companies within the Thesis group. They and C J Willson and C A E Lawson are not engaged in other business activities that are of significance to the Scheme.
- 3.1.7 The Manager is authorised to carry on investment business in the UK and to market unit trust products by virtue of its authorisation and regulation by the FCA. The address, for the FCA, is set out in Appendix 7.
- 3.1.8 Thesis Unit Trust Management Limited acts as authorised fund manager to other regulated collective investment schemes. Details of these schemes, as at the date of this Prospectus, are set out in Appendix 6.

3.1.9 Best execution

In accordance with the FCA Rules and applicable law and regulation, the Manager must act in the best interests of the Scheme when executing decisions to deal on behalf of the Scheme and must establish and implement an order execution policy to allow it to obtain the best possible result.

3.1.10 Delegated Functions

The Manager has delegated the following functions to the below parties:

- (a) Administration and fund accountancy to the Administrator and Registrar;
- (b) Maintaining the Register to the Registrar;
- (c) Investment management services to the Investment Manager.

Details of these appointments are set out below under the paragraphs 3.3 (The Investment Manager) and 3.4 (Registrar, Administrator and Fund Accountant).

3.2 The Trustee

3.2.1 The Trustee and depositary of the Scheme is NatWest Trustee and Depositary Services Limited, a private limited company registered in England and Wales with company number 11194605.

3.2.2 The ultimate holding company of the Trustee is NatWest Group plc, which is incorporated in Scotland.

3.2.3 The Trustee's registered and head office address is 250 Bishopsgate, London EC2M 4AA. The address of its office which handles matters relating to the Scheme is set out in Appendix 7.

3.2.4 The Trustee's principal activity is the provision of trustee and depositary services.

3.2.5 The Trustee is established in the UK and is authorised and regulated by the FCA to act as a depositary of a UK UCITS or a UK AIF.

3.2.6 Duties of the Trustee

The Trustee is responsible for the safekeeping of the Scheme Property, monitoring the cash flows of the Scheme and must ensure that certain processes carried out by the Manager are performed in accordance with the applicable rules and Scheme documents.

3.2.7 Terms of appointment

- (a) The appointment of the Trustee as trustee has been made under the terms of the trust deed between the Manager and the Trustee (the **Trust Deed**). The Trustee has also been appointed as the depositary of the Scheme pursuant to the Depositary Agreement.

- (b) The Depositary Agreement provides that the Trustee be engaged to maintain the safe custody of the Scheme Property and to fulfil other duties required in COLL.
- (c) The powers, duties, rights and obligations of the Trustee, the Scheme and the Manager under the Depositary Agreement shall, to the extent of any conflict, be overridden by the FCA Rules.
- (d) Under the Depositary Agreement the Trustee has the power to appoint sub-custodians and may include in such appointment powers to sub-delegate. The Trustee has delegated custody of the Scheme Property to the Custodian. Contact details for the Custodian are set out in Appendix 7. The Custodian has, in turn, sub-delegated the custody of assets in certain markets in which the Scheme may invest to various sub-delegates (**sub-custodians**).
- (e) A list of sub-custodians is set out in Appendix 5. Investors should note that the list of sub-custodians is updated only at each Prospectus review.
- (f) To the extent permitted by applicable law and the UK UCITS Regulations, the Trustee will not be held liable for any loss incurred by it, or through any of its agents in carrying out its obligations or functions, unless such loss arises as a direct result of the fraud, wilful default, negligence or intentional failure of the Trustee to properly fulfil its obligations under the Depositary Agreement.
- (g) The Depositary Agreement provides that the Trustee will be indemnified from the net assets of the Scheme for any liabilities suffered or incurred by the Trustee in the proper performance of its obligations and duties under the Depositary Agreement except in the case of fraud or negligent breach of the Depositary Agreement or of any applicable laws.
- (h) The Depositary Agreement may be terminated on six months' notice by the Trustee or the Manager or earlier on certain breaches or the insolvency of a party. However, termination of the Depositary Agreement will not take effect, nor may the Trustee retire voluntarily, until the appointment of a new Trustee has taken place.
- (i) Details of the fees payable to the Trustee are set out in paragraph 9 (Charges and Expenses).

3.2.8 Conflicts of interest

- (a) The Trustee may act as the depositary of other authorised unit trusts or open-ended investment companies and as trustee or custodian of other collective investment schemes.
- (b) It is possible that the Trustee and/or its delegates and sub-delegates may in the course of its or their business be involved in other financial and professional activities which may on occasion have potential conflicts of interest with the Scheme, one or more Unitholders, the Manager and/or other funds

managed by the Manager or other funds for which the Trustee acts as the depositary, trustee or custodian. The Trustee will, however, have regard in such event to its obligations under the Depositary Agreement and the FCA Rules and, in particular, will use reasonable endeavours to ensure that the performance of its duties will not be impaired by any such involvement it may have and that any conflicts which may arise will be resolved fairly and in the best interests of Unitholders collectively so far as practicable, having regard to its obligations to other clients.

- (c) As the Trustee operates independently from the Scheme, Unitholders, the Manager and the Custodian, the Trustee does not anticipate any conflicts of interest arising between it and any of the aforementioned parties.
- (d) The Trustee is under no obligation to account to the Manager, the Scheme or Unitholders for any profits or benefits it makes or receives that are made or derived from or in connection with its role as depositary.

3.2.9 Updated Information

Up-to-date information regarding the Trustee, its duties, its conflicts of interest and the delegation of its safekeeping functions will be made available to Unitholders on request.

3.3 The Investment Manager

- 3.3.1 The Manager is responsible for the overall investment management and administration of the Scheme. The Manager has delegated its day-to-day responsibility for investment management of the Scheme to Thesis Asset Management Limited (the **Investment Manager**).
- 3.3.2 The Investment Manager is a limited company incorporated in England and Wales with number 1802101. Its registered office, and principal place of business, is set out in Appendix 7.
- 3.3.3 Thesis Asset Management Limited is connected with the Manager, as it is in the same group as the Manager.
- 3.3.4 No commission is payable to Thesis Asset Management Limited under its agreement with the Manager for any deal done or which could be done on behalf of the Scheme. The Investment Manager is authorised to carry on investment business by virtue of its authorisation and regulation by the FCA.
- 3.3.5 The appointment of the Investment Manager has been made under an agreement between the Manager and the Investment Manager (the **Investment Manager Agreement**). The Investment Manager is authorised to make decisions on behalf of the Manager in relation to the management, purchase, sale, retention, exchange or other dealings with assets, and has full discretionary powers over the investment of the property of the Scheme subject to the overall responsibility and right of veto of the Manager. The Investment Manager will be liable for certain losses suffered by the Manager or the Scheme, subject, in the absence of fraud, to certain limitations on the Investment Manager's liability.

- 3.3.6 The agreement between the Manager and the Investment Manager is terminable without notice by the Manager and on three months' notice by the Investment Manager. The Investment Manager Agreement may be terminated immediately by the Manager if it is in the best interests of investors.
- 3.3.7 The principal activities of the Investment Manager are fund management and investment advice. The Investment Manager is authorised to deal on behalf of the Scheme. The Investment Manager is required to comply with its own execution policy. A copy of the Investment Manager's execution policy is available on request from the Manager, or may be available from the Investment Manager's website, listed in Appendix 7.

3.4 Registrar, Transfer Agent, Administrator and Fund Accountant

- 3.4.1 The Manager has delegated various functions to Northern Trust Global Services SE, UK branch (formerly Northern Trust Global Services PLC). The following functions are delegated to Northern Trust Global Services SE, UK branch: maintaining the Register (as **Registrar** and certain administrative (as **Administrator** and **Transfer Agent**) and fund accountancy (**Fund Accountant**) services as administrator of the Scheme.
- 3.4.2 The address for Northern Trust Global Services SE, UK branch is set out in Appendix 7.

3.5 The Register

The Register can be inspected at the office of the Registrar, located at 50 Bank Street, Canary Wharf, London E14 5NT.

3.6 The Auditors

The Auditors of the Scheme are KPMG LLP whose principal place of business is set out in Appendix 7.

4. Characteristics of the Scheme

4.1 Investment Objective

This Scheme's investment objective is to achieve capital growth, net of fees, over the long term (over a 5 year period).

Investors should be aware that the investors' capital is in fact at risk and there is no guarantee that capital growth will be achieved, whether over rolling five-year periods, or any time period.

4.2 Investment Policy

The Scheme will seek to achieve its investment objective through investment (at least 70%) in equity securities. Such exposure will usually be achieved indirectly, via investment in permitted collective investment vehicles, including regulated collective investment schemes and closed-ended funds, however the Scheme may also invest directly in equity securities.

The Scheme may invest up to 100% of the scheme property in collective investment vehicles (including those managed by the Manager or its associates).

The Scheme may also invest directly in other transferable securities including, government and public securities, money market instruments, warrants, deposits, near cash and cash. Notwithstanding the 70% minima referenced above, in exceptional circumstances, during times of market stress the Manager may hold a significant (approximately 80%) proportion of the Scheme in cash and near cash positions in order to reduce risk and preserve capital.

Derivatives may be used to seek to reduce risk (relevant to the investment objective) within the Scheme's portfolio, reduce investment costs and generate additional income for the Scheme (often referred to as "efficient portfolio management" or "EPM"), although use is expected to be limited.

4.3 Performance Comparator

- 4.3.1 The Scheme uses the Investment Association Flexible peer group for performance comparison purposes only and the benchmark is not a target benchmark and the Scheme is not constrained by it.
- 4.3.2 The peer group has been selected as a comparator for performance because the constituents are representative of the areas in which the Scheme itself is likely to invest, and it is therefore an appropriate comparator for the Scheme's performance.
- 4.3.3 The Manager reserves the right to change the peer group following consultation with the Trustee and in accordance with the rules of COLL. A change could arise, for example, where the Manager determines that an alternative may be more appropriate. Unitholders will be notified of such a change through an update to the Prospectus and the change noted in the subsequent annual and half-yearly reports.

4.4 Investment Style

The Scheme is actively managed which means the Investment Manager uses their discretion to pick investments to seek to achieve the Scheme's objective. As the objective is to achieve long-term growth, a broad spectrum of equity investments will be considered for inclusion. The Investment Manager's research function has many years of experience in selecting funds and direct investments. Funds are selected using qualitative and quantitative research methods to assess their track record, the quality of their management, their cost, their style and its appropriateness for current and expected economic conditions.

4.5 Investor Profile

- 4.5.1 The Scheme is suitable for long term investors who can afford to set aside the capital for at least five years. If you are uncertain about whether this product is suitable for you, please contact an independent financial adviser.
- 4.5.2 Investors must be comfortable that the value of investments in the Scheme can go down as well as up, that capital may be at risk and that performance varies over time and returns are not guaranteed.

4.5.3 Investors should be aware that there is no protection of capital and no guaranteed return and investors can lose the amount invested. Accordingly, Units are not suitable for:

- (a) any investor who does not have sufficient resources to bear any loss resulting from the investment;
- (b) investors who are not prepared to take any risk with their money or put their capital at risk; and/or
- (c) any investor looking for a guaranteed income or a guaranteed total return.

5. Investment and borrowing powers

5.1 The investment objectives and policies set out above are subject to the limits on investment under COLL. These limits are set out in Appendix 1.

6. The Characteristics of Units in the Scheme

6.1 Type of Units

6.1.1 The Trust Deed permits the issue of both income and accumulation Units. Currently, both types of Units are available. Net income receivable in respect of income Units is distributed to Unitholders. Holders of accumulation Units are not entitled to be paid the income attributable to such Units, but that income is automatically transferred to (and retained as part of) the capital assets of the Scheme at the end of the relevant distribution period and is reflected in the price of an accumulation Unit. An income Unit represents one undivided share in the capital property of the Scheme. An accumulation Unit represents one undivided share in the capital property plus further shares relating to net income retained. Each undivided share ranks pari passu with the other undivided shares in the Scheme.

6.1.2 The nature of the right represented by Units is that of a beneficial interest under a trust.

6.1.3 Units in the Scheme are not listed or dealt on any investment exchange.

6.2 Accounting and Income Distribution Dates

6.2.1 The Scheme's annual accounting reference and half-yearly accounting dates are:

| | |
|--|-----------|
| Annual Accounting Reference Date: | 5 April |
| Annual Income Allocation Date: | 5 August |
| Half-yearly Accounting Date: | 5 October |

| | |
|--|------------|
| Half-yearly Income Allocation Date: | 5 December |
|--|------------|

- 6.2.2 Distributions of income for the Scheme are made on or before the annual income allocation date and on or before the half-yearly income allocation date each year.
- 6.2.3 Each holder of income Units is entitled, on the half-yearly and annual income allocation dates, to the net income attributable to their holding.
- 6.2.4 The income available for distribution is determined in accordance with the Trust Deed and COLL. It comprises all income received or receivable for the account of the Scheme in respect of the accounting period concerned, after deducting net charges and expenses paid or payable out of such income and after making such adjustments as the Manager considers appropriate, after consulting with the Scheme's auditors, in accordance with COLL, in relation to taxation and other matters.
- 6.2.5 The Manager reserves the right to change or create additional accounting and income distribution dates, usually as a result of accounting or taxation changes.
- 6.2.6 Any distribution that remains unclaimed for a period of six years after the distribution became due for payment will be forfeited and shall revert to the Scheme.
- 6.2.7 On the income allocation dates, an amount, as determined by the Manager as described above, is paid to those Unitholders who are entitled to the distribution by reference to their holding on the Register at the previous accounting date. Payments will be made by means of direct credit to the Unitholders nominated bank account.

6.3 Certificates and Title

- 6.3.1 No certificates are issued to Unitholders.
- 6.3.2 Title to Units is evidenced by the entry on the Register; Unitholders may but need not support an instruction to the Manager by enclosing the contract note or the most recent annual statement or copies of such documents.

7. Meetings and voting rights

7.1 For the purposes of this paragraph 7:

- 7.1.1 a "physical meeting" is a general meeting convened at a physical location where Unitholders, or their proxy, must be physically present;
- 7.1.2 a "hybrid meeting" is a general meeting which allows Unitholders, or their proxy, to be physically present at the location where the meeting is convened, or to attend and vote remotely; and

- 7.1.3 a "virtual meeting" is a general meeting where all Unitholders, or their proxy, attend and vote remotely.
- 7.2 The provisions below, unless the context otherwise requires, apply to Class meetings as they apply to general meetings of Unitholders.
- 7.3 The Manager and the Trustee may convene a general meeting of Unitholders at any time in accordance with the FCA Rules. The Manager may hold a virtual meeting or a hybrid meeting as this is not inconsistent with any provisions in the Trust Deed.
- 7.4 Unitholders may request the convening of a general meeting by a requisition which must:
- 7.4.1 state the objective of the meeting;
 - 7.4.2 be dated;
 - 7.4.3 be signed by Unitholders who, at that date, are registered as the Unitholders of Units representing not less than one-tenth in value of all of the Units then in issue; and
 - 7.4.4 be deposited with the Trustee.
- 7.5 Any Unitholder who participates remotely in a hybrid meeting by the means specified in the notice is deemed to be present at the meeting and has the same rights as a Unitholder who is physically present at the meeting.
- 7.6 Any Unitholder who participates in a virtual meeting by the means specified in the notice is deemed to be present at the meeting and has the same rights that the Unitholder would have at a physical meeting.
- 7.7 Any Unitholder who participates remotely may do so without having to appoint a proxy and is not required to submit their vote on a resolution in advance of the meeting.
- 7.8 A meeting of Unitholders, duly convened and held shall be competent by extraordinary resolution to require, authorise or approve any act, matter or document in respect of which any such resolution is required or expressly contemplated by the relevant regulations.
- 7.9 An extraordinary resolution is a resolution passed by a majority of not less than three-quarters of the votes validly cast (whether on a show of hands or on a poll) for the resolution at a general meeting, or, as the case may be, a Class meeting of Unitholders.
- 7.10 Except where an extraordinary resolution is specifically required or permitted, any resolution of Unitholders is passed by a simple majority of the votes validly cast.
- 7.11 A meeting of Unitholders has no powers other than those contemplated by the FCA Rules.
- 7.12 Where a meeting of Unitholders is convened by the Manager or the Trustee, Unitholders must receive at least 14 days' written notice (inclusive of the date

on which the notice is first served and the day of the meeting) and the notice shall specify:

- 7.12.1 whether the meeting is to be a physical meeting, a hybrid meeting or a virtual meeting;
 - 7.12.2 if the meeting is a physical meeting or a hybrid meeting, the place of the meeting;
 - 7.12.3 if the meeting is a hybrid meeting or a virtual meeting, the means by which a Unitholder may participate, including any requirements for Unitholders to register before the meeting begins or to provide proof of their right to attend, and an explanation of how participating Unitholders may vote in a show of hands or in a poll, if they do not appoint a proxy;
 - 7.12.4 the day and hour of the meeting;
 - 7.12.5 the terms of the resolutions to be proposed; and
 - 7.12.6 the address of the website where the minutes of the meeting will subsequently be published.
- 7.13 Where the notice is served by the Manager a copy shall be sent to the Trustee.
- 7.14 The accidental omission to give notice to, or the non-receipt of notice by any Unitholder will not invalidate the proceedings at any meeting.
- 7.15 Notice of an adjourned meeting of Unitholders must be given to each Unitholder, stating that while two Unitholders are required to be present, in person, by proxy or remotely, to constitute a quorum at the adjourned meeting, this may be reduced to one in accordance with COLL 4.4.6R(3), should two such Unitholders not be present after 10 minutes (which shall be deemed to be a reasonable time) after the time fixed for the start of the meeting.
- 7.16 Where the meeting is a hybrid meeting or a virtual meeting, the Manager shall take reasonable care to ensure that the necessary supporting technology to enable Unitholders to attend and vote is in place at the start of the meeting and operates adequately throughout its proceedings, so that Unitholders who attend or vote remotely are not unfairly disadvantaged.
- 7.17 The quorum at a meeting of Unitholders shall be two Unitholders present in person, by proxy or (where applicable) remotely using the means specified in the notice. If, after 10 minutes (which shall be deemed to be a reasonable time) after the time fixed for the start of the meeting or if there is no longer a quorum present at any time during the meeting the meeting:
- 7.17.1 if convened on the requisition of Unitholders, must be dissolved;
 - 7.17.2 in any other case, must stand adjourned to:
 - (a) a day and time being not less than seven or more than 28 days after the day and time for the meeting;
 - (b) in the case of a physical meeting or a hybrid meeting, a place to be appointed by the chair; and

- 7.17.3 if, at an adjourned meeting under paragraph 7.17.2 above, a quorum is not present after 10 minutes (which shall be deemed to be a reasonable time) after the time fixed for the start of the meeting, one person entitled to be counted in a quorum present at the meeting shall constitute a quorum.
- 7.18 The chair of a meeting which permits Unitholders to attend and vote remotely shall take reasonable care to give such Unitholders:
- 7.18.1 an adequate opportunity to be counted as present in the quorum; and
- 7.18.2 sufficient opportunities to participate fully in the proceedings of the meeting, in particular when a vote is taken on a show of hands or by poll.
- 7.19 In the case of an equality of votes cast, the chair is entitled to a casting vote.
- 7.20 At any meeting of Unitholders, on a show of hands every Unitholder who is present in person or who attends the meeting remotely using the means specified in the notice, shall have one vote.
- 7.21 On a poll, votes may be given either personally or by proxy or in another manner permitted by the Trust Deed. The voting rights for each Unit must be the proportion of the voting rights attached to all of the Units in issue that the price of the Units bears to the aggregate price or prices of all of the Units in issue at a cut-off date selected by the Manager which is a reasonable time before notice of the meeting is sent out.
- 7.22 A Unitholder entitled to more than one vote need not, if they vote, use all their votes or cast all the votes they use in the same way. For joint Unitholders, the vote of the first Unitholder, or the proxy of the first Unitholder, stated in the Register will be accepted to the exclusion of the votes of other joint Unitholders.
- 7.23 In the context of despatch of notice, "Unitholders" means the persons who were entered in the Register seven days before the notice of meeting was given but excluding persons who are known not to be entered on the Register at the date of despatch of the notice.
- 7.24 To be included in the quorum and entitled to vote at the meeting, "Unitholders" means the persons entered on the Register at a time determined by the Manager and stated in the notice of the meeting, which must not be more than 48 hours before the time fixed for the meeting.
- 7.25 The Manager is not entitled to vote at or be counted in a quorum at a meeting of Unitholders in respect of Units held or deemed to be held by the Manager, except where the Manager holds Units on behalf of, or jointly with, a person who, if themselves the sole registered Unitholder would be entitled to vote, and from whom the Manager has received voting instructions. Associates of the Manager are entitled to be counted in a quorum and, if they hold Units on behalf of a person who would have been entitled to vote if they had been a registered Unitholder and they have received voting instructions from that person, may vote in respect of such Units pursuant to such instructions.
- 7.26 The Manager will publish the minutes on a website accessible to the general public without charge, no later than five Business Days after the meeting has taken place (but in the case of an original meeting which is adjourned, the

minutes will be published no later than five Business Days after the adjourned meeting has taken place).

- 7.27 Any notice or document to be served upon a Unitholder will be duly served if it is:
 - 7.27.1 delivered to the Unitholder's address as appearing in the Register; or
 - 7.27.2 sent using an electronic medium in accordance with paragraph 7.31 and 7.32 below.
- 7.28 Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it was posted.
- 7.29 Any document left at a registered address or delivered other than by post is deemed to have been served on that day.
- 7.30 Any notice or document served by post on one joint Unitholder is deemed to also have been served on each other joint Unitholder whose address, as appearing on the Register, is the same address to which the notice or document was sent.
- 7.31 Any document or notice to be served on, or information to be given to a Unitholder, must be in legible form. For this purpose, any form is a legible form if it:
 - 7.31.1 is consistent with the Manager's knowledge of how the recipient of the document wishes or expects to receive the document;
 - 7.31.2 is capable of being provided in hard copy by the Manager;
 - 7.31.3 enables the recipient to know or record the time of receipt; and
 - 7.31.4 is reasonable in the context.
- 7.32 Any requirement that a document be signed may be satisfied by an electronic signature or electronic evidence of assent. Where transfer of title to Units is to be effected on the authority of an electronic communication, the Manager must take reasonable steps to ensure that any electronic communication purporting to be made by the Unitholder or their agent is in fact made by that person.
- 7.33 Changes to the Scheme are classified as fundamental, significant or notifiable.
- 7.34 The Manager must obtain the prior approval of Unitholders by extraordinary resolution for any proposed change to the Scheme which constitutes a "fundamental change". This is a change or event which:
 - 7.34.1 changes the purpose or nature of the Scheme;
 - 7.34.2 may materially prejudice a Unitholder;
 - 7.34.3 alters the risk profile of the Scheme; or
 - 7.34.4 introduces a new type of payment out of the Scheme Property.

- 7.35 The Manager must give prior written notice to Unitholders of any proposed change which constitutes a "significant change". This is a change or event which is not fundamental, but which:
- 7.35.1 affects a Unitholder's ability to exercise their rights in relation to their investment;
 - 7.35.2 would reasonably be expected to cause the Unitholder to reconsider their participation in the Scheme;
 - 7.35.3 results in any increased payments out of the Scheme Property to the Manager, or an associate of the Manager; or
 - 7.35.4 materially increases other types of payment out of the Scheme Property.

The notice period must be a reasonable length and must not be less than 60 days.

- 7.36 The Manager must inform Unitholders in an appropriate manner and timescale of any notifiable changes that are reasonably likely to affect, or have affected, the operation of the Scheme. This is a change or event, other than a fundamental or significant change, which a Unitholder must be made aware of unless the Manager concludes the change is insignificant. The appropriate manner and timescale of notification will depend on the nature of the change or event. An appropriate manner of notification could include the information being included in the next report of the Scheme.

8. Pricing of Units

8.1 Valuation of Scheme Property

- 8.1.1 The valuation of the Scheme will take place on each Business Day at 12:00 noon (the **Valuation Point**). The valuation determines the Net Asset Value of the Scheme.
- 8.1.2 Units are single-priced, which means that, subject to any preliminary charge or redemption charge, the price of a unit for both buying and selling purposes will be the same and determined by reference to a particular Valuation Point. Each Unit represents a proportional share of the overall property attributable to the Scheme. Therefore, the value of a Unit is calculated in broad outline, by calculating the net value of property attributable to the Scheme, and dividing that value (or that part of that value attributed to Units of the class in question) by the number of Units (of the class in question) in issue.
- 8.1.3 The value of the property of the Scheme shall be the value of its assets less the value of its liabilities determined in accordance with the following provisions.
 - (a) All the property of the Scheme (including receivables) is to be included, subject to the following provisions.
 - (b) Property which is not cash (or other assets dealt with in paragraph (c) below) shall be valued as follows and the prices

used shall (subject as follows) be the most recent prices which it is practicable to obtain:

- (i) units or shares in a collective investment scheme:
 - (aa) if a single price for buying and selling units or shares is quoted, at that price; or
 - (bb) if separate buying and selling prices are quoted, at the average of the two prices provided the buying price has been reduced by any preliminary charge included therein and the selling price has been increased by any exit or redemption charge attributable thereto; or
 - (cc) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if no recent price exists, at a value which, in the opinion of the Manager, is fair and reasonable;
 - (ii) exchange-traded derivative contracts:
 - (aa) if a single price for buying and selling the exchange-traded derivative contract is quoted, at that price; or
 - (bb) if separate buying and selling prices are quoted, at the average of the two prices;
 - (iii) over-the-counter derivative contracts shall be valued in accordance with the method of valuation as shall have been agreed between the Manager and the Trustee;
 - (iv) any other investment:
 - (aa) if a single price for buying and selling the security is quoted, at that price; or
 - (bb) if separate buying and selling prices are quoted, at the average of the two prices; or
 - (cc) if, in the opinion of the Manager, the price obtained is unreliable or no recent traded price is available or if the most recent price available does not reflect the Manager's best estimate of the value, at a value which, in the opinion of the Manager, is fair and reasonable; and
 - (v) property other than that described in (i), (ii), (iii) and (iv) above: at a value which, in the opinion of the Manager, represents a fair and reasonable mid-market price.
- (c) Cash and amounts held in current, deposit and margin accounts and in other time-related deposits shall be valued at their nominal values.

- (d) In determining the value of the Scheme Property, all instructions given to issue or cancel units shall be assumed (unless the contrary is shown) to have been carried out and any cash payment made or received and all consequential action required by the FCA Rules or the Trust Deed shall be assumed (unless the contrary has been shown) to have been taken.
- (e) Subject to paragraphs (f) and (g) below, agreements for the unconditional sale or purchase of property which are in existence but uncompleted shall be assumed to have been completed and all consequential action required to have been taken. Such unconditional agreements need not be taken into account if made shortly before the valuation takes place and, in the opinion of the Manager, their omission shall not materially affect the final net asset amount.
- (f) Futures or contracts for differences which are not yet due to be performed and unexpired and unexercised written or purchased options shall not be included under paragraph (e).
- (g) All agreements are to be included under paragraph (e) which are, or ought reasonably to have been, known to the person valuing the property assuming that all other persons in the Manager's employment take all reasonable steps to inform it immediately of the making of any agreement.
- (h) Deduct an estimated amount for anticipated tax liabilities (on unrealised capital gains where the liabilities have accrued and are payable out of the property of the Scheme; on realised capital gains in respect of previously completed and current accounting periods; and on income where liabilities have accrued) including (as applicable and without limitation) capital gains tax, income tax, corporation tax, value added tax, stamp duty and stamp duty reserve tax.
- (i) Deduct an estimated amount for any liabilities payable out of the property of the Scheme and any tax thereon treating periodic items as accruing from day to day.
- (j) Deduct the principal amount of any outstanding borrowings whenever payable and any accrued but unpaid interest on borrowings.
- (k) Add an estimated amount for accrued claims for tax of whatever nature which may be recoverable.
- (l) Add any other credits or amounts due to be paid into the property of the Scheme.
- (m) Add a sum representing any interest or any income accrued due or deemed to have accrued but not received and any stamp duty reserve tax provision anticipated to be received.
- (n) Currencies or values in currencies other than the base currency shall be converted at the relevant valuation point at a rate of exchange that is not likely to result in any material prejudice to the interests of unit holders or potential unit holders.

8.2 Dilution levy

- 8.2.1 The actual cost of purchasing or selling the Scheme's investments may be higher or lower than the mid-market value used in calculating the Unit price - for example, due to dealing charges, or through dealing at prices other than the mid-market price. Under certain circumstances (for example, large volumes of deals) this may have an adverse effect on the Unitholders' interest in the Scheme. In order to prevent this effect, called "dilution", the Manager has the power to charge a "dilution levy" on the sale and/or redemption of Units. If charged, the dilution levy will be paid into the Scheme and will become part of the property of the Scheme.
- 8.2.2 The dilution levy for the Scheme will be calculated by reference to the estimated costs of dealing in the underlying investments of the Scheme, including any dealing spreads, commission and transfer taxes.
- 8.2.3 The need to charge a dilution levy will depend on the volume of sales or redemptions. The Manager may charge a discretionary dilution levy on the sale and redemption of Units if, in its opinion, the existing Unitholders (for sales) or remaining Unitholders (for redemptions) might otherwise be adversely affected, and if charging a dilution levy is, so far as practicable, fair to all Unitholders and potential Unitholders. In particular, the dilution levy may be charged in the following circumstances:
- (a) where over a dealing period the Scheme has experienced a large level of net sales or redemptions relative to its size;

- (b) on "large deals"; and
- (c) where the Manager considers it necessary to protect the interests of the Unitholders of the Scheme.

8.2.4 It is therefore not possible to predict accurately whether dilution is likely to occur at any given point in time. If a dilution levy is required then, based on future projections the estimated rate or amount of such levy is shown below:

| | | |
|--------------------|------------------|---------------------------|
| The HoundStar Fund | Sales (creation) | Redemptions (liquidation) |
| | 0.2% | 0.2% |

8.2.5 The number of days on which a dilution levy has been applied between 1 January 2024 and 31 December 2024 is nil.

8.2.6 Based on future projections, the Manager expects that the vast majority of sales and/or redemptions of Units will be "large deals" and that a dilution levy may be charged on the majority of deals.

8.2.7 If a dilution levy is not charged then this may restrict the future growth of the Scheme.

8.2.8 The Manager may alter its dilution policy either by Unitholder consent pursuant to the passing of a resolution to that effect at a properly convened meeting of Unitholders and by amending the Prospectus or by giving Unitholders notice and amending the Prospectus 60 days before the change to the dilution policy is to take effect.

8.3 Large Deals

For the purposes of COLL, a large deal will be a deal in respect of Units exceeding 5% of the Net Asset Value.

8.4 Pricing Basis

The Manager currently elects to deal on a forward basis, being the price calculated by reference to the Valuation Point next following the Manager's agreement to sell, or as the case may be, to redeem the Units in question.

8.5 Publication of Prices

8.5.1 The most recent prices will appear daily on the Trustnet website at www.trustnet.com and can also be obtained by telephone on 01483 783 900.

8.5.2 For reasons beyond the control of the Manager, these may not necessarily be the current prices.

8.5.3 The cancellation price last notified to the Trustee is available from the Manager upon request.

8.6 Income Equalisation

When an incoming Unitholder purchases a Unit during an accounting period, part of the purchase price will reflect the relevant share of accrued income in the Net Asset Value of the Scheme. The first allocation of income in respect of that Unit refunds this amount as a return of capital. The amount of income equalisation is calculated by dividing the aggregate of the amounts of income included in the creation price of Units of the type in question issued or re-issued in a grouping period by the number of those Units and applying the resulting average to each of the Units in question.

8.7 Grouping

Grouping periods are consecutive periods within each annual accounting period, being the half-yearly accounting periods (including the period from the end of the last half-yearly accounting period in an annual accounting period to the end of that annual accounting period) as specified in paragraph 6.2.1 above. If there are no half-yearly accounting periods the periods for grouping of Units will be annual accounting periods. Grouping is permitted by the Trust Deed for the purposes of equalisation.

9. Buying and Selling Units

9.1 The dealing office of the Manager is open from 9.00 a.m. until 5.00 p.m. each Business Day during which the Manager may receive requests for the buying and selling of Units. The time and price at which a deal takes place depends on the provisions of COLL affecting the pricing of Units.

9.2 A Business Day for this purpose means every day or part of a day, other than Saturdays, Sundays, public holidays in England or any day or part of a day on which the London Stock Exchange is not open for trading.

9.3 Buying Units

9.3.1 Units may be purchased by sending a completed application form or clear written instructions to Thesis Unit Trust Management Limited at the dealing office of the Administrator, by electronic communications (as set out in paragraph 10 (Electronic Communications)), or by obtaining an application form by telephoning the Manager's Customer Enquiry Line on 0333 300 0375.

9.3.2 A contract note giving details of the Units purchased will be issued no later than the next Business Day after the Dealing Day on which an application to purchase Units is received and instrumented by the Manager. Payment in full should be made not later than the fourth Business Day after the date of purchase, and the Manager reserves the right to require payment in advance.

9.4 Minimum initial subscription and minimum Unit holding

9.4.1 The Manager will not accept a lump sum application for Units to the value of less than £100,000. The minimum subsequent subscription amount for Units is £100,000. The minimum holding and redemption amounts for Units is £1,000. There is no minimum number of Units which any Unitholder need hold. The Manager reserves the right to reduce or waive minimum investment levels.

9.4.2 The Manager reserves the right to reject, on reasonable grounds, any application for Units in whole or in part, in which event, the Manager

will return by post, any money sent, or the balance, for the purchase of Units which are the subject of the application, at the risk of the applicant.

9.5 Issue of Units in exchange for in specie assets

- 9.5.1 The Manager may arrange for the Scheme to issue Units in exchange for assets other than cash, but will only do so where the Trustee has taken reasonable care to determine that the Scheme's acquiring of those assets in exchange for the Units concerned is not likely to result in any material prejudice to the interests of Unitholders or potential Unitholders.
- 9.5.2 The Manager will ensure that the beneficial interest in the assets is transferred to the Scheme with effect from the issue of the Units.
- 9.5.3 The Manager will not issue Units in the Scheme in exchange for assets the holding of which would be inconsistent with the investment objective of the Scheme.

9.6 Selling Units

- 9.6.1 At any time during a Dealing Day when the Manager is willing to issue Units it must also be prepared to redeem Units. The Manager may refuse to redeem a certain number of Units if the redemption will mean the Unitholder is left holding Units with a value of less than the minimum initial subscription of £1,000.
- 9.6.2 Requests to redeem Units in the Scheme may be made to the Manager by telephone on the number stated above, by electronic communications (as set out in paragraph 10 (Electronic Communications)), or by sending clear written instructions.
- 9.6.3 A contract note giving details of the number and price of the Units sold back to the Manager will be sent to Unitholders no later than the next Business Day after the Units were sold. In the event that the Manager requires a signed form of renunciation, e.g. in respect of joint holders, corporate holders or redemptions dealt through an agent, a form of renunciation will be attached.
- 9.6.4 When Units are redeemed, a cheque will be sent out within four working days of the Valuation Point of the Scheme immediately following receipt by the Manager of the request to redeem Units or the time when the Manager has received all duly executed instruments and authorisations as will vest to title in the Manager or enable it to arrange to do so, whichever is the later.
- 9.6.5 The Manager is not required to issue a cheque in respect of the redemption of Units where it has not yet received the money due on the earlier issue of those Units.

9.7 In specie redemptions and cancellation of Units

Where a Unitholder requests redemption or cancellation of Units, the Manager may, at its discretion, give written notice to the Unitholder before the proceeds would otherwise become payable that, in lieu of paying such proceeds in cash, the Manager will transfer to that Unitholder property attributable to the Scheme

having the appropriate value. Where such notice is given, the Unitholder may, by written notice given to the Manager before the relevant property is transferred to the Unitholder, require the Manager to arrange for a sale of that property and the payment to the Unitholder of the net proceeds of that sale. The selection of the property to be transferred (or sold) will be made by the Manager in consultation with the Trustee, with a view to achieving no more advantage or disadvantage to the Unitholder requesting cancellation of their Units than to continuing Unitholders. The Manager may retain out of the property to be transferred (or the proceeds of sale) property or cash of a value or amount equivalent to any stamp duty or stamp duty reserve tax to be paid in relation to the redemption or cancellation of the Units.

9.8 Mandatory Cancellation and Redemption

9.8.1 If it comes to the notice of the Manager that any Units (**affected Units**) are owned directly or beneficially in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory or by virtue of which the holder or holders in question is/are not qualified and entitled to hold such Units or if it reasonably believes this to be the case, the Manager may give notice to the holder(s) of the affected Units requiring either transfer of such Units to a person who is qualified or entitled to own them or that a request in writing be given for the redemption or cancellation of such Units in accordance with COLL. If any person upon whom such a notice is served does not within 30 days after the date of such notice transfer their affected Units to a person qualified to hold them or establish to the satisfaction of the Manager (whose judgment is final and binding) that they or the beneficial owner is qualified and entitled to own the affected Units, they shall be deemed upon the expiration of that thirty day period to have given a request in writing for the redemption of all the affected Units pursuant to COLL.

9.8.2 A person who becomes aware that they have acquired or are holding affected Units in breach of any law or governmental regulation (or any interpretation of a law or regulation by a competent authority) of any country or territory, or by virtue of which they are not qualified to hold such affected Units, shall forthwith, unless they have already received a notice as aforesaid, either transfer or procure the transfer of all their affected Units to a person qualified to own them or give a request in writing to procure that such a request for the redemption or cancellation of all their affected Units pursuant to COLL.

9.9 Suspension of Dealing

9.9.1 The Manager may, if the Trustee agrees, or shall if the Trustee so requires, at any time to temporarily suspend dealing in the Scheme if the Manager or Trustee (in the case of any requirement by the Trustee) believes that, due to exceptional circumstances, it is in the interests of Unitholders. The Manager and Trustee must immediately inform the FCA any suspension stating the reasons for its actions and, as soon as practicable, give written confirmation of the suspension, and the reason for it, to the FCA.

9.9.2 Notice of suspension will be provided to Unitholders as soon as practicable after commencement of the suspension, drawing Unitholders' attention to the exceptional circumstances resulting in the

suspension. Notification to Unitholders must be clear, fair and not misleading. Unitholders will be kept informed in writing about updates on the suspension.

- 9.9.3 The Manager and the Trustee must formally review any such suspension at least every 28 days and inform the FCA of the results of their review. Any such suspension may only continue so long as it is justified having regard to the interest of the Unitholders.
- 9.9.4 The Manager must inform the FCA of the proposed re-start of dealing and, immediately after the re-start, must confirm in writing to the FCA.
- 9.9.5 The Manager may agree, during the suspension, to deal in Units, in which case all deals accepted during, and outstanding prior to, the suspension will be undertaken at a price calculated at the first Valuation Point after restart of dealings in Units.
- 9.9.6 The suspension of dealing must cease as soon as practicable after the exceptional circumstances have ceased.
- 9.9.7 Re-calculation of prices will commence on the Business Day immediately following the end of the suspension, at the relevant Valuation Point.

9.10 Market Timing

- 9.10.1 The Manager may refuse to accept a new subscription in the Scheme if, in the opinion of the Manager, it has reasonable grounds for refusing to accept a subscription. In particular, the Manager may exercise this discretion if it believes that the Unitholder has been, or intends to, engage in market timing.
- 9.10.2 For these purposes, market timing activities include investment techniques which involve short term trading in and out of Units generally to take advantage of variation in the price of Units between the daily calculation points in the Scheme. Short term trading of this nature may often be detrimental to long term Unitholders in particular; the frequency of dealing may lead to additional dealing costs which can affect long term performance.

9.11 Annual Statements

An annual statement made up to 5 April will be issued to Unitholders. This will detail the Unitholder's current holding, transactions during the year and income paid. Interim statements are available on request.

9.12 Client Money Rules

- 9.12.1 The FCA Handbook contains provisions (known as the **Client Money Rules**) designed to safeguard client money in the hands of authorised persons. However, the CASS rules also provide that money need not be treated as client money in respect of a delivery versus payment transaction, for the purpose of settling a transaction in relation to Units in a regulated collective investment scheme such as the Scheme, provided that:

- (a) the Manager receives the money from a client in relation to the Manager's obligation to issue Units in the fund in accordance with COLL;
 - (b) the money is held in the course of redeeming Units, where the proceeds are paid to the client within the timeframe specified in COLL.
- 9.12.2 Where money is received in either of the circumstances set out in paragraph 8.12.1(a) or (b) above the Manager must cease to operate the exemption if, by close of business on the Business Day following receipt of the money, it has not paid it over to the Trustee or the client as applicable.
- 9.12.3 In order to facilitate management of the Scheme, the Manager makes use of the delivery versus payment exemption on the issue of Units in respect of money received other than in the form of cheques. Money received in other payment forms for the issue of Units is, therefore, not protected under the Client Money Rules until the delivery versus payment exemption period has expired. Money received by the Manager in the form of redemptions, cheques or other remittances is paid directly into a client money account maintained by the Manager with an Approved Bank, as defined in the FCA Rules, and protected in line with the Client Money Rules. No interest is payable by the Manager on monies credited to this account.
- 9.12.4 Money deposited into an account with a third party may have a security interest, lien or right of set-off in relation to the money, to the extent permitted by the Client Money Rules.
- 9.12.5 In certain circumstances, if the Manager has lost touch with an investor, the Manager will be permitted to pay the investor's client money balance to a registered charity after six years. The Manager will not do so until reasonable efforts have been made to contact the investor. The investor will still be entitled to recover this money from the Manager at a later date irrespective of whether the Manager has paid the money to charity. This is subject to the rules in COLL, which require the Manager to transfer any distribution payment which remains unclaimed after a period of six years from the date of payment to the Scheme's capital property.

10. Charges and Expenses

10.1 Manager's Charges and Expenses

10.1.1 Preliminary Charge

The Manager's preliminary charge, which is included in the issue price of the Units, is currently 5% of the creation price of the Units.

10.1.2 Periodic Charge

- (a) The Manager is also entitled under the Trust Deed to make a periodic charge which is payable monthly, calculated on the value of the property of the Scheme determined in accordance with the Trust Deed and COLL, and payable out of the property of the Scheme in accordance with COLL. For this purpose, the

value of the Scheme is inclusive of the creations and cancellations which take effect as at the relevant Valuation Point. The periodic charge shall accrue daily, commencing at the first Valuation Point on the first Business Day and shall end immediately before the Valuation Point on the following Business Day. The periodic charge is payable on, or as soon as is practicable after, the end of the month in which it accrued.

- (b) The current rate of the periodic (per annum) charge is 0.5% which is subject to a minimum fee of £40,000 per annum exclusive of VAT. The minimum fee applies where there are no more than two investment managers in respect of the Scheme. If more than two investment managers are appointed in respect of the Scheme, the minimum fee will increase by £5,000 per annum for each additional investment manager.
- (c) Any increase of the preliminary or the periodic charge may be made by the Manager only after giving written notice to the Trustee and Unitholders (in the case of an increase of the periodic charge) or to the Trustee (in the case of the preliminary charge) and making available, for 60 days, the Scheme particulars amended to reflect the proposed increase.
- (d) The Manager is responsible for payment of the fees of the Investment Manager. Costs incurred in relation to the comparator benchmark will be borne by the Scheme.

10.1.3 Redemption Charge

The Trust Deed of the Scheme contains a provision for the Manager to make a redemption charge but at present, there are no plans to impose such a charge. The Manager must not introduce a redemption charge, or change the rate or method of calculation of a current redemption charge, unless at least 60 days before the introduction or change, the Manager:

- (a) gave notice in writing of that introduction or change and of the date of its commencement, to the Trustee and to all the persons who ought reasonably to be known to the Manager to have made an arrangement for the purchase of Units at regular intervals; and
- (b) has revised the Prospectus to reflect the introduction or change and the date of its commencement and has made the revised prospectus available.

- 10.1.4 The Manager is also entitled to receive from Scheme Property all reasonable, properly documented, out of pocket expenses incurred in the performance of its duties which may include legal and professional expenses of the Manager in relation to the proper performance of the Manager's duties under the Scheme and/or its establishment (including fees in relation to any legal advice taken in relation to the Scheme) as well as expenses related to Scheme documents, postage and communication costs incurred in the proper performance of duties, and all expenses incurred in notarising documents.

10.2 Trustee's Fees and Expenses

10.2.1 Periodic Fee

- (a) The Trustee is paid a monthly periodic fee (plus VAT) in remuneration for its services from the property of the Scheme. The Trustee's fee is calculated on the value of the property of the Scheme determined in accordance with the Trust Deed and COLL, and payable out of the property of the Scheme in accordance with COLL. For this purpose the value of the Scheme is inclusive of the issues and cancellations which take effect as at the relevant Valuation Point.
- (b) The Trustee's fee shall accrue daily, commencing at the first Valuation Point on the first Business Day and shall end immediately before the next Valuation Point on the following Business Day. The Trustee's fee is payable on, or as soon as is practicable after, the end of the month in which it accrued.

| | |
|--------------|---|
| 0.0275% p.a. | on the first £50 million value of the property of the Scheme; |
| 0.025% p.a. | on the next £50 million value of the property of the Scheme; |
| 0.020% p.a. | on the next £100 million value of the property of the Scheme; |
| 0.015% p.a. | thereafter. |

The annual fee is subject to a minimum fee of £7,500, applicable to the Scheme. VAT (at the standard rate) is added to these fees.

10.2.2 Transaction and Custody Charges

- (a) In addition to the above periodic fees, the Trustee shall also be entitled to be paid transaction charges and derivative and custody charges in relation to transaction and derivative transaction handling and safekeeping of the Scheme Property. These amounts as may be agreed by the Manager and the Trustee are as follows:

| Item | Range/Fees |
|--------------------------------|--|
| Transaction Charges | £7.50 to £180.00 |
| Derivative Transaction Charges | £20 (if applicable) |
| Custody Charges | up to 0.9% of the value of the holding involved subject to a |

| | |
|--|--|
| | minimum aggregate custody charge of £7,500 per annum |
|--|--|

- (b) These charges vary from country to country depending on the markets and the type of transaction involved. Transaction charges accrue at the time the transactions are effected and are payable as soon as is reasonably practicable, and in any event not later than the last Business Day of the month when such charges arose or as otherwise agreed between the Trustee and the Manager. Custody charges accrue and are payable as agreed from time to time by the Manager and the Trustee.
- (c) Where relevant, the Trustee may make a charge for (or otherwise benefit from) providing its services in relation to: distributions, the provision of banking services, holding money on deposit, lending money, or engaging in stock lending or derivative transactions in relation to the Scheme and may purchase or sell or deal in the purchase or sale of Scheme property provided always that the services concerned and any such dealing are in accordance with the provisions of the FCA Handbook.
- (d) The Trustee will also be entitled to payment and reimbursement of all costs, liabilities and expenses properly incurred in the performance of, or arranging the performance of, functions conferred on it by the Trust Deed, the FCA Handbook or by the general law.
- (e) On a winding up of the Scheme or the redemption of a class of Units (if applicable), the Trustee will be entitled to its *pro rata* fees, charges and expenses to the date of winding up, the termination, or the redemption (as appropriate) and any additional expenses necessarily realised in settling or receiving any outstanding obligations.
- (f) Any value added tax on any fees, charges or expenses payable to the Trustee will be added to such fees, charges or expenses.
- (g) In each such case such payments, expenses and disbursements may be payable to any person (including the Manager or any associate or nominee of the Trustee or of the Manager) who has had the relevant duty delegated to it pursuant to the FCA Handbook by the Trustee.

10.3 Administration and Registration Charges

- 10.3.1 The Administration of the Scheme will be delegated to Northern Trust Global Services SE, UK branch, which will be remunerated by the Manager for its services out of the Manager's periodic charge.
- 10.3.2 Northern Trust Global Services SE, UK branch will also act as Registrar. The Registrar's fee is taken from the Scheme Property of the Scheme. The current registration fee is £18 per Unitholder per annum with a minimum of £2,000 per annum and £6 per Unitholder transaction effected through straight-through processing and £19 per Unitholder transaction recorded manually. Such fee may be payable to

the Manager or to any person who has had the relevant duty delegated to it pursuant to the FCA Rules by the Manager.

10.4 Other Expenses

10.4.1 No payments may be made out of the property of the Scheme other than payments to the Manager and the Trustee as set out above (and other sums due by virtue of COLL (such as, for example, cancellation proceeds and reasonable stock lending expenses)) and the following (to the extent of the actual amount incurred):

- (a) broker's commission (excluding costs for research), fiscal charges and other disbursements which are:
 - (i) necessary to be incurred in effecting transactions for the Scheme; and
 - (ii) normally shown in contract notes, confirmation notes and difference accounts as appropriate; and
- (b) taxation and duties payable in respect of the property of the Scheme, the Trust Deed or the issue of Units; and
- (c) any costs incurred in modifying the Trust Deed constituting the Scheme or this Prospectus (including costs incurred in respect of meetings of Unitholders convened for the purpose) where the modification is:
 - (i) necessary to implement any change in the law (including changes in COLL); or
 - (ii) necessary as a direct consequence of any change in the law (including changes in COLL); or
 - (iii) expedient having regard to any fiscal enactment and which the Manager and the Trustee agree is in the interest of Unitholders; or
 - (iv) to remove or amend obsolete provisions;
 - (v) necessary to reflect any other change, including changes to the policies and/or procedures of the Trustee or the Manager or changes to parties name in the Prospectus; and
- (d) any costs incurred in respect of meetings of Unitholders convened on a requisition by Unitholders not including the Manager or an associate of the Manager; and
- (e) liabilities on unitization, amalgamation or reconstruction arising in certain circumstances specified by COLL; and
- (f) the expenses of the Trustee in convening a meeting of Unitholders convened by the Trustee alone; and
- (g) the audit fee properly payable to the Auditors and value added tax thereon and any proper expenses of the Auditors; and

- (h) the fees of the FCA under the Financial Services and Markets Act 2000 or the corresponding periodic fees of any regulatory authority in a country or territory outside the UK in which Units in the Schemes are or may be marketed;
- (i) the charges and expenses associated with the setting up of transactions and any ongoing charges and expenses reasonably and properly incurred in respect of the processing and implementation of electronic transfers;
- (j) any fees or costs associated with any CASS related support activity incurred by the Registrar;
- (k) any reasonable general disbursements relating to postage and communication costs incurred in the proper performance of the transfer agent's duties relating to the Scheme, which are currently carried on by the Transfer Agent; and
- (l) any fees, expenses or disbursements of any auditors and tax, legal or other professional advisers of the Scheme or of the Manager in relation to the Scheme.

10.5 Allocation of payments

The Manager and the Trustee have agreed that all, or part, of any expense payment be treated as a charge against the income of the Scheme (except those charges and expenses relating directly to the purchase and sale of investments). If there is insufficient income to meet the fees, then all or part of those fees may be treated, at the request of the Manager, as a charge against the capital of the Scheme.

All expenses relating directly to the purchase and sale of investments will be charged to capital. All other expenses will be charged to income in the first instance.

It should be noted that, where fees are charged to capital, this may result in capital erosion or constrain capital growth.

11. Electronic Communications

The Manager will accept instructions to transfer or renunciation of title to Units on the basis of an authority communicated by electronic means and sent by the Unitholder, or delivered on their behalf by a person that is authorised by the FCA or regulated in another jurisdiction by an equivalent supervisory authority, subject to:

11.1 prior agreement between the Manager and the person making the communications as to;

- 11.1.1 the electronic media by which such communications may be delivered; and
- 11.1.2 how such communications will be identified as conveying the necessary authority; and

- 11.2 assurance from any person who may give such authority on behalf of the investor that they will have obtained the required appointment in writing from the Unitholder.

12. Risk Factors

- 12.1 Potential investors should consider the below risk factors before investing in the Scheme. The investments of the Scheme are subject to normal market fluctuations and other risks inherent in investing in securities. Consequently, the value of Units in the Scheme and the income derived from them can go down as well as up and as a result an investor may not get back the amount originally invested. This can be as a result of market movements and also variations on the exchange rates between currencies.

- 12.2 There can be no assurance that any appreciation in value of investments will occur. The value of investments and the income derived from them may fall as well as rise and investors may not recoup the original amount invested in the Scheme. There is no assurance that the investment objective of any Scheme will actually be achieved. Past performance is not necessarily a guide to future performance.

12.2.1 Conflicts Policy

- (a) Transactions may be effected in which the Manager has, either directly or indirectly, an interest that may potentially involve a conflict of its obligation to the Scheme. Where a conflict cannot be avoided, the Manager will have regard to its fiduciary responsibility to act in the best interests of the Scheme and its investors. The Manager will ensure that investors are treated fairly and that such transactions are effected on terms which are not less favourable to the Scheme than if the potential conflict had not existed.

12.2.2 Counterparty risk in over-the-counter markets

- (a) The Scheme may enter into transactions in over-the-counter markets which will expose the Scheme to the credit of its counterparties and their ability to satisfy the terms of such contracts. For example, the Scheme may enter into agreements or use other derivative techniques, each of which expose the Scheme to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Scheme could experience delays in liquidating the position and significant losses, including declines in the value of its investment during the period in which the Scheme seeks to enforce its rights, inability to realise any gains on its investment during such period and fees and expenses incurred in enforcing its rights. There is also a possibility that the above agreements and derivative techniques are terminated due, for instance, to bankruptcy, supervening illegality, or change, in the tax or accounting law relative to those at the time the agreement was originated. In such circumstances, investors may be unable to recover any losses incurred.

12.2.3 Legal and Regulatory Issues

- (a) Legal and regulatory (including taxation) changes could adversely affect the Scheme. Regulation (including taxation) of investment vehicles such as the Scheme is subject to change. The effect of any future legal or regulatory (including taxation) change on the Scheme is impossible to predict, but could be substantial and have adverse consequences on the rights and returns of Unitholders.

12.2.4 Custody Risk

- (a) The Trustee may delegate the function of safekeeping of Financial Instruments to the Custodian, who may in turn appoint custody agents. The Trustee or Custodian or custody agents may hold Financial Instruments in fungible accounts (meaning the assets are interchangeable) or omnibus accounts (resulting in accounts being combined). The use of omnibus accounts gives rise to a potential risk that there could be a shortfall in the Financial Instruments held in such an account should the total of the Financial Instruments be less than the aggregate entitlement of the Scheme. It is expected that such risks will be mitigated by the Custodian's trade matching and reconciliation processes, however in the event of an irreconcilable shortfall, the affected clients would bear the risk of any shortfall on a pro-rata basis and the Scheme may not recover all of its Financial Instruments.

12.2.5 Fund of Funds

- (a) Investment in other funds may mean that the objectives and risk profiles of those underlying funds may not (always) be fully in line with those of the Scheme.

12.2.6 Geographical / Sector

- (a) Significant exposure to a particular industrial sector or geographical region puts the Scheme at risk of a localised event making a significant impact on the value of the Scheme.

12.2.7 Equities Risk

- (a) Where investments are in the shares of companies (equities), the value of those equities may fluctuate, sometimes dramatically, in response to the activities and results of individual companies or because of general market and economic conditions or other events.

12.2.8 Infectious diseases

- (a) Infectious diseases that pose significant threats to human health may be highly disruptive to global economies and markets. The economic and market disruptions caused by infectious diseases could significantly impact the value of the Scheme Property and the value of distributions paid to Unitholders.

13. Taxation

The following summary is based on current UK law and HM Revenue & Customs practice. It summarises the UK tax position of Authorised Unit

Trusts (AUTs) and Unitholders who are UK tax resident. However, it should not be regarded as exhaustive and investors are advised to obtain specific advice from their professional tax adviser. Levels and bases of, and reliefs from, taxation are subject to change in the future.

13.1 Taxation of the Scheme

The Scheme is an AUT and is treated as an Authorised Investment Fund for tax purposes. Income of the Scheme is deemed to be distributed for tax purposes, even when it is accumulated. References to distributions include deemed distributions of accumulated income.

The Scheme will make dividend distributions except where over 60% of the Scheme's property has been invested at all times throughout the distribution period in interest paying and related investments, in which case it will make interest distributions. A fund that makes interest distributions is referred to as a Bond Fund and a fund that makes dividend distributions is referred to as an Equity Fund.

13.1.1 Income

- (a) The Scheme is liable to corporation tax on its income after relief for management expenses (which include fees payable to the Manager and to the Trustee). The rate of corporation tax applicable to the Scheme is equal to the basic rate of income tax.
- (b) Where the Scheme is a Bond Fund, the gross amount of any interest distributions is an allowable expense for corporation tax purposes and no tax should actually be paid on that part of the income funding the interest distributions.
- (c) Dividend income received by the Scheme from investments in UK resident and overseas companies should fall within an exemption from corporation tax. Dividend income received from foreign companies may be subject to withholding tax or other taxation in the foreign jurisdiction. Any foreign tax suffered by the Scheme may normally be deducted from the UK tax due on that income or treated as an expense in calculating the amount of that income subject to corporation tax.

13.1.2 Capital gains

- (a) Capital gains realised by the Scheme on a disposal of its investments are exempt from corporation tax on chargeable gains. In the unlikely event that the Scheme should be considered to be trading in securities for tax purposes, any gains made by it would be treated as income and taxed accordingly.

13.1.3 Stamp Duty Reserve Tax

- (a) Stamp duty reserve tax (**SDRT**) is generally charged on any agreements to transfer units in AUTs (other than transactions handled by the fund manager) to third parties at a rate of 0.5% of the consideration.
- (b) No SDRT charge arises on the issue or surrender of units in AUTs. However, investors may be subject to an SDRT charge

where Units in the Scheme are surrendered and the investors receive assets from the Scheme (rather than cash) which are not in proportion to each investor's share of the total assets held by the Scheme.

13.2 Taxation of Unitholders

13.2.1 Income

For tax purposes, an AUT is treated as distributing the whole of the income available for distribution in each of its distribution periods, whether actually distributed or accumulated by it. Distributions may be made as interest distributions or dividend distributions as set out below.

The distribution accounts of the Scheme for any of its distribution periods may show income available for distribution as either (a) an interest distribution or (b) a dividend distribution. The type of distribution that either actually takes or is deemed to take place depends on the source and composition of the income within the Scheme.

Where more than 60% of the Scheme is invested in "qualifying investments" (broadly speaking interest paying investments, see further below) the Scheme will make an interest distribution. Where this is not the case, distributions made by the Scheme will be dividend distributions.

All Unitholders will be sent tax vouchers stating the make-up of their distributions and showing their taxable income.

(a) Interest distributions

(i) UK resident individuals

Interest distributions paid by the Scheme (save in respect of distributions to certain qualifying Unitholders) are treated as yearly interest and, as such, are subject to income tax.

No income tax is required to be deducted at source from interest distributions, with the result that Unitholders will receive interest distributions gross of any tax.

Basic rate taxpayers are entitled to a personal savings allowance, higher rate taxpayers are entitled to a reduced personal savings allowance and additional rate taxpayers have no personal savings allowance.

Basic rate, higher rate and additional rate taxpayers will pay income tax (in the case of basic rate and higher rate taxpayers, on the amount in excess of the applicable personal savings allowance) on any income distributions at the basic rate, the higher rate or the additional rate (as applicable).

(ii) UK corporate Unitholders

If, at any point in an accounting period of a UK corporate Unitholder, the Scheme fails to satisfy the "qualifying investment" test, Units held by the UK corporate Unitholder in respect of the Scheme are treated as if the Units in respect of such a corporate's accounting period (including gains, profits and losses) are rights under a creditor loan relationship and will be taxed or relieved as an income receipt or expense on a "fair value accounting" basis. Accordingly, such a corporate Unitholder may, depending on its own circumstances, incur a charge to corporation tax on an unrealised increase in the value of its holding of Units (and, likewise, obtain relief against corporation tax for an unrealised reduction in the value of its holding of Units).

The Scheme will fail to satisfy the "qualifying investments" test at any time when more than 60% of its assets by market value comprise government and corporate debt securities, cash on deposit, certain derivative contracts or holdings in other collective investment schemes which at any time in the relevant accounting period do not themselves satisfy the "qualifying investments" test, or other interest bearing securities.

Interest distributions paid to UK corporate Unitholders may be paid without deduction of income tax at source.

(b) Dividend distributions

Dividend distributions paid by the Scheme are treated as if they are dividends.

(i) UK resident individuals

UK resident individuals liable to income tax at the basic, higher or additional rate will be taxed at the appropriate dividend rate on the receipt of dividend distributions subject to the availability of allowances and reliefs including the annual dividend allowance.

(ii) UK corporate Unitholders

UK resident corporate Unitholders must split their dividend distributions into franked and unfranked income portions according to the percentage split given on the tax voucher. The unfranked portion is, to the extent it comprises UK source income, generally treated as an annual payment received after deduction of income tax at the basic rate, whereas the balance is treated as franked income – i.e. a dividend. Both annual payments and dividends are liable to corporation tax in the hands of UK corporate Unitholders although the franked dividend portion should fall within an exemption from corporation tax.

13.2.2 Chargeable gains

- (a) UK resident individuals
 - (i) Unitholders who are resident in the UK may be liable to UK taxation on capital gains arising from the sale or other disposal, including a redemption of Units in the Scheme. Gains will be tax-free if after deduction of allowable losses, they fall within an individual's annual capital gains exemption.
 - (ii) Gains in excess of the annual exemption amount are taxed at the lower rate of capital gains tax to the extent that together with an individual's taxable income they do not exceed the upper limit of the basic rate income tax band and at the higher rate to the extent that they exceed that limit.
- (b) UK corporate Unitholders

UK corporate Unitholders (whose Units are not treated as creditor loan relationships) will be charged to corporation tax on any gains realised after the deduction of allowable losses (if any).

The Manager reserves the right to redeem the Units of any Unitholder who jeopardises the tax status of the Scheme.

13.3 Income equalisation – tax implications

The price of a Unit of a particular class is based on the value of that class' entitlement in the Scheme, including the income of the Scheme since the previous distribution or, in the case of accumulation Units, deemed distribution. In the case of the first distribution received or accumulation made in respect of a Unit, part of the amount, namely the equalisation payment, is treated as a return of capital and is not taxable as income in the hands of the Unitholder. This amount is, however, in the case of income Units, deducted from the cost of the Unit in computing any capital gains. Equalisation applies only to Units purchased during the relevant accounting period. It is calculated as the average amount of income included in the issue price of all Units of the relevant class issued during the period.

13.4 UK information reporting regime

AUTs are required to report details of interest distributions paid to UK, and many non-UK investors. Dividend distributions and payments made to ISA investors are not within the scope of these rules but see the paragraphs dealing with "International tax compliance" below.

13.5 Tax Elected Fund (**TEF**) regime

The Manager may, in the future, seek to elect the Scheme into the TEF regime if it considers that it would be advantageous for the majority of investors in the Scheme to do so. If the Scheme is elected into the TEF regime, the UK tax treatment of the Scheme and its investors would be different to that set out above.

13.6 International tax compliance

The Scheme is required to comply with the International Tax Compliance Regulations.

The International Tax Compliance Regulations transpose into UK law rules and obligations derived from international standards and inter-governmental agreements entered into by the UK which are aimed at increasing transparency and reducing tax evasion. The regulations include rules derived from the US Foreign Account Tax Compliance Act (**FATCA**) and the OECD Common Reporting Standard for Automatic Exchange of Financial Account Information (**CRS**).

To be compliant with the International Tax Compliance Regulations the Scheme must collect information about each Unitholder's tax residence and, in certain circumstances, provide information about Unitholders' holdings in Units to HMRC. HMRC may in turn share this information with overseas tax authorities. Such tasks may be delegated to the Administrator.

Unitholders should note that:

- 13.6.1 **they may be asked to provide additional information (including information regarding their tax residence) to the Manager or the Administrator to enable the Scheme to satisfy these obligations;**
- 13.6.2 **the Manager or Administrator may report these details, along with information about a Unitholder's holding, to HMRC; and**
- 13.6.3 **HMRC may subsequently exchange this information with other governments or tax authorities in other jurisdictions.**

If a Unitholder fails to provide the information required by the Scheme to comply with its obligations to HMRC this may result in the Manager taking appropriate action against the Unitholder, including invoking the compulsory transfer and redemption provisions set out in this Prospectus. The Unitholder may also be liable for any penalties suffered by the Manager. The Manager may deduct the amount of any penalty from the Unitholder's account.

14. Winding-up the Scheme

- 14.1 The Manager or Trustee may request that the FCA revoke the authorisation order of the Scheme if any of the below events happen:
 - 14.1.1 an extraordinary resolution is passed to wind up the Scheme and the FCA's prior consent to the resolution has been obtained by the Manager or Trustee; or
 - 14.1.2 the Manager or the Trustee requests that the FCA revokes the authorisation order and the FCA has agreed (provided no material change in any relevant factor occurs) that on the conclusion of the winding-up of the Scheme, FCA will agree to that request;
 - 14.1.3 the expiry of any period specified in the Trust Deed as the period at the end of which the Scheme will be wound up;

- 14.1.4 on the effective date of a duly approved scheme of arrangement which results in the Scheme that is the subject to the scheme of arrangement being left with no property.

If any of the events set out above occurs, the relevant sections of COLL concerning pricing and dealing and investment and borrowing powers will cease to apply. The Trustee shall cease the creation and cancellation of Units and the Manager will cease issuing, redeeming, buying and selling Units.

14.2 Manner of winding-up the Scheme

- 14.2.1 Where 13.1.4 above applies the Trustee must cancel all Units in issue and wind up the Scheme in accordance with the approved scheme of arrangement.
- 14.2.2 In any other event specified above the Trustee shall realise the property of the Scheme. After paying or retaining adequate provisions for all liabilities payable, and the costs of the winding-up, the Trustee must cancel all Units in issue and distribute the proceeds to the Unitholders. The proceeds shall be proportionate to the size of their holdings.
- 14.2.3 Any unclaimed net proceeds, or other cash held by the Trustee after 12 months from the date the proceeds became payable, shall be paid by the Trustee into court. The Trustee will have the right to retain any expenses incurred in making that payment. On completion of the winding-up, the Trustee shall notify FCA in writing of that fact and the Trustee or the Manager shall request FCA to revoke the authorisation order.

15. General Information

15.1 Telephone calls

- 15.1.1 Telephone calls may be recorded for regulatory, training or monitoring purposes. Recordings will be provided on request for a period of at least five years from the date of such recording, or, where requested by a competent regulatory authority, for a period of seven years, where the Manager can identify the call.
- 15.1.2 If you ask the Manager to send you a recording of a particular call, the Manager may ask for further information to help identify the exact call to which your request relates.

15.2 Notices

- 15.2.1 Any notice or document to be served upon a Unitholder will be duly served if it is:
- (a) delivered to the Unitholder's address as appearing in the Register; or
 - (b) delivered by using an electronic medium in accordance with following provisions set out at paragraph 10 (Electronic Communications).

15.2.2 Any notice or document served by post is deemed to have been served on the second Business Day following the day on which it is posted. Any document left at a registered address or delivered other than by post is deemed to have been served on that day. Any document or notice to be served on or information to be given to a Unitholder, must be in legible form. For this purpose, any form is legible form which:

- (a) is consistent with the Manager's knowledge of how the recipient of the document wishes or expects to receive the document;
- (b) is capable of being provided in hard copy by the Manager;
- (c) enables the recipient to know or record the time of receipt; and
- (d) is reasonable in the context.

15.3 Complaints

15.3.1 Complaints concerning the operation or marketing of the Scheme should be referred (in the first instance) to the Manager at the Manager's head office address shown in the Directory at Appendix 7.

15.3.2 If a complaint cannot be resolved satisfactorily with the Manager, it may be made direct to the Financial Ombudsman Service, Exchange Tower, London E14 9SR or online at <https://www.financial-ombudsman.org.uk/>.

15.3.3 A copy of the complaints handling procedure is available from the Manager on request.

15.4 Annual and Half-yearly Reports

Annual reports will be published normally on the annual income allocation date listed in paragraph 6.2.1 above. Half-yearly reports will be published on the half-yearly income allocation date.

15.5 Documents relating to the Scheme

Copies of the below documents, and a summary of the Manager's policy regarding the exercise of any voting rights attached to assets held by the Scheme, may be inspected at the registered office of the Manager (set out in Appendix 7).

15.5.1 the Prospectus;

15.5.2 the Trust Deed (and any Supplemental Deeds);

15.5.3 the most recent annual and half-yearly reports of the Scheme; and

15.5.4 the Depositary Agreement.

Unitholders may obtain copies of the above documents from the registered office of the Manager. The Manager may make a charge at its discretion for copies of documents (apart from the Prospectus and the most recent annual and half-yearly reports of the Scheme, which are available free of charge).

15.6 Future Disclosures

Each Unitholder may obtain on request from the Manager information supplementary to this Prospectus relating to:

- 15.6.1 the quantitative limits applying in the risk management of the Scheme;
- 15.6.2 the methods used in relation to paragraph 14.6.1; and
- 15.6.3 any recent development of the risk and yields of the main categories of investment.

15.7 Money Laundering

- 15.7.1 As a result of legislation in force in the United Kingdom to prevent money laundering, the Manager is responsible for compliance with money laundering regulations. In order to implement these procedures, in certain circumstances investors may be asked to provide proof of identity when buying or redeeming Units. Until satisfactory proof of identity is provided, the Manager reserves the right to refuse to issue Units, pay the proceeds of the redemption of Units, or pay income on Units to the investor.
- 15.7.2 In the United Kingdom, a 'relevant body' may commit an offence where it fails to prevent a person acting on its behalf from facilitating tax evasion (whether by an individual or legal entity). The 'relevant body' will not be guilty of a criminal offence if it can be demonstrated that reasonable prevention procedures were in place which were designed to prevent such facilitation occurring. The Manager reserves the right to adopt such practices and procedures as it deems at any point necessary to avoid committing an offence under this or any other anti-money laundering law or regulation.
- 15.7.3 Please refer to paragraph 10 (Electronic Communications) for details of certain resources we may access in verifying information on you.

15.8 Dealing as principal

Investors buy and redeem Units through the Manager who nets them to reduce the number of Units issued/cancelled by the Scheme. When carrying out deals in Units, the Manager acts as principal but does not profit from this activity.

15.9 Non-Accountability for profits

Neither the Manager, the Trustee, the Investment Manager (or any Associate of the same) or the Auditors is liable to account to either each other or to Unitholders for any profits or benefits it makes or receives that are made or derived from or in connection with:

- 15.9.1 dealings in the Units of the Scheme; or
- 15.9.2 any transaction in the Scheme Property; or
- 15.9.3 the supply of services to the Scheme.

15.10 Data Protection

- 15.10.1 The personal details of each applicant for Units and each Unitholder will be held by the Manager and/or the Administrator as its agent in accordance with the Data Protection Laws for the purposes of carrying out the Manager's agreement with each Unitholder. This may include the transfer of such data to other members of the Manager's group and to other businesses providing services to the Manager (including their offices outside the UK), where the transfer is necessary for the provision of services in relation to the Manager's role as operator of the Scheme. The data protection laws and other laws of these countries may not be as comprehensive as those that apply within the UK. In these instances the Manager will take steps to ensure that your privacy rights are respected. Unitholders have the right to access their personal data processed by the Manager together with (in certain circumstances) the right to object to the processing of such data for legitimate reasons.
- 15.10.2 A copy of the Manager's Privacy Notice relating to investors is available at www.tutman.co.uk or on request from compliance@tutman.co.uk.

15.11 Electronic Verification

- 15.11.1 The Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017, The Proceeds of Crime Act 2002, SYSC and Joint Money Laundering Steering Group guidance notes (which are updated from time to time) state that the Manager must check your identity and the source of the money invested. The Manager may also request verification documents from parties associated with you. In some cases, documentation may be required for officers performing duties on behalf of bodies corporate. The checks may include an electronic search of information held about you (or your associated party) on the electoral roll and using credit reference agencies. The credit reference agency may check the details you (or your associated party) supply against any particulars on any database (public or otherwise) to which they have access and may retain a record of that information although this is only to verify identity and will not affect your (or your associated party's) credit rating. They may also use your (or your associated party's) details in the future to assist other companies for verification purposes.
- 15.11.2 If you apply for Units you are giving the Manager permission to ask for this information in line with the Data Protection Laws. If you invest through a financial adviser they must fill an identity verification certificate on your behalf and send it to the Manager with your application.

15.12 Summary of the Manager's haircut policy

- 15.12.1 The Manager may have to provide, or receive, collateral in entering into certain derivative transactions for the Scheme. In doing so, the Manager may apply a haircut to that collateral. A 'haircut' is a percentage that is subtracted from the market value of an asset that is being used as collateral.

15.12.2 The Manager will judge, on a case-by-case basis, the extent and type of collateral to use when negotiating with counterparties and clearing houses and the haircut policy which it will apply. Where cash is received as collateral it will not be invested in anything other than cash or short-term deposit accounts.

15.12.3 Cash and collateral will be deemed to be permitted for the purposes of the Scheme's collateral policy.

15.13 Remuneration

15.13.1 The Manager has established and applies a remuneration policy, procedure and practice (together, the **Remuneration Policy**) which is consistent with, and promotes, sound and effective risk management, and does not encourage risk-taking that is inconsistent with the risk profile or the Trust Deed. The Remuneration Policy applies to staff whose professional activities have a material impact on the risk profile of the Manager or the Scheme. The Remuneration Policy does not impair compliance with the Manager's duty to act in the best interests of the Scheme.

15.13.2 Details of the up-to-date Remuneration Policy including, but not limited to, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits, including the composition of the remuneration committee, are available on www.tutman.co.uk and a paper copy of such information can be obtained, free of charge, upon request at the offices of the Manager.

15.14 Risk Management

15.14.1 The Manager uses a risk management process (including a risk management policy) enabling it to monitor and measure at any time the risk of the Scheme's positions and their contribution to the overall risk profile of the Scheme.

15.14.2 The following details of the risk management process must be regularly notified to the FCA and at least on an annual basis:

- (a) a true and fair view of the types of derivatives and forward transactions to be used within the Scheme together with their underlying risks and any relevant quantitative limits; and
- (b) the methods for estimating risks in derivative and forward transactions.

15.14.3 The Manager must assess, monitor and periodically review:

- (a) the adequacy and effectiveness of the risk management policy and of the arrangements, processes and techniques referred to in COLL 6.12.5R;
- (b) the level of compliance by the Manager with the risk management policy and with those arrangements, processes and techniques referred to in COLL 6.12.5R; and

- (c) the adequacy and effectiveness of measures taken to address any deficiencies in the performance of the risk management process.

The Manager must notify the FCA of any material changes to the risk management process.

Appendix 1

Investment and borrowing powers

1. Investment restrictions

The property of the Scheme will be invested with the aim of achieving the investment objective of the Scheme but subject to the limits on investment set out in COLL. These limits apply to the Scheme as summarised below.

2. Prudent spread of risk

2.1 The Manager must ensure that, taking account of the investment objective and policy of the Scheme, the Scheme Property of the Scheme aims to provide a prudent spread of risk.

2.2 The rules in this Appendix 1 relating to spread of investments do not apply until the expiry of a period of six months after the date of which the authorisation order, in respect of the Scheme, takes effect or on which the initial offer commenced, if later, provided that paragraph 2.1 is complied with during such period.

3. Valuation

3.1 In this Appendix 1, the value of the Scheme Property of the Scheme means the net value determined in accordance with COLL 6.3, after deducting any outstanding borrowings, whether immediately due to be repaid or not.

3.2 When valuing the Scheme Property for the purposes of this Appendix 1:

3.2.1 the time as at which the valuation is being carried out (the **relevant time**) is treated as if it were a valuation point, but the valuation and the relevant time do not count as a valuation or a valuation point for the purposes of COLL 6.3;

3.2.2 initial outlay is to be regarded as remaining part of the Scheme Property; and

3.2.3 if the Manager, having taken reasonable care, determines that the Scheme will become entitled to any unrealised profit which has been made on account of a transaction in derivatives, that prospective entitlement is to be regarded as part of the Scheme Property.

4. Treatment of obligations

4.1 Where COLL allows a transaction to be entered into or an investment to be retained only (for example, investment in warrants and nil and partly paid securities and the general power to accept or underwrite) if possible obligations arising out of the investment transactions or out of the retention would not cause any breach of any limits in COLL 5, it must be assumed that the maximum possible liability of the Scheme under any other of those rules has also to be provided for.

4.2 Where a rule in COLL permits an investment transaction to be entered into or an investment to be retained only if that investment transaction, or the retention, or other similar transactions, are covered:

- 4.2.1 it must be assumed that in applying any of those rules, the Scheme must also simultaneously satisfy any other obligation relating to cover; and
- 4.2.2 no element of cover must be used more than once.

5. UCITS schemes: permitted types of scheme property

- 5.1 The Scheme Property of the Scheme must, subject to its investment objective and policy and except where otherwise provided by COLL 5, consist solely of any or all of:
 - 5.1.1 transferable securities;
 - 5.1.2 approved money-market instruments;
 - 5.1.3 units in collective investment schemes;
 - 5.1.4 derivatives and forward transactions; and
 - 5.1.5 deposits;in accordance with the rules in COLL 5.2.

- 5.2 It is not intended that the Scheme will have an interest in any immovable property or tangible movable property.

6. Transferable Securities

- 6.1 A transferable security is an investment which is a share, a debenture, an alternative debenture, a government and public security, a warrant, or a certificate representing certain securities (as such terms are defined in the FCA Glossary).
- 6.2 An investment is not a transferable security if the title to it cannot be transferred, or can be transferred only with the consent of a third party.
- 6.3 In applying paragraph 6.2 to an investment which is issued by a body corporate, and which is a share or a debenture (as such terms are defined in the FCA Glossary), the need for any consent on the part of the body corporate or any members or debenture holders of it may be ignored.
- 6.4 An investment is not a transferable security unless the liability of the holder of it to contribute to the debts of the issuer is limited to any amount for the time being unpaid by the holder of it in respect of the investment.

7. Investment in transferable securities

- 7.1 The Scheme may invest in a transferable security only to the extent that the transferable security fulfils the following criteria:
 - 7.1.1 the potential loss which the Scheme may incur with respect to holding the transferable security is limited to the amount paid for it;
 - 7.1.2 its liquidity does not compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying Unitholder (see COLL 6.2.16R(3));

- 7.1.3 reliable valuation is available for it as follows:
- (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there are accurate, reliable and regular prices which are either market prices or prices made available by valuation systems independent from issuers;
 - (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is a valuation on a periodic basis which is derived from information from the issuer of the transferable security or from competent investment research;

7.1.4 appropriate information is available for it as follows:

- (a) in the case of a transferable security admitted to or dealt in on an eligible market, where there is regular, accurate and comprehensive information available to the market on the transferable security or, where relevant, on the portfolio of the transferable security;
- (b) in the case of a transferable security not admitted to or dealt in on an eligible market, where there is regular and accurate information available to the Manager on the transferable security or, where relevant, on the portfolio of the transferable security;

7.1.5 it is negotiable; and

7.1.6 its risks are adequately captured by the risk management process of the Manager.

7.2 Unless there is information available to the Manager that would lead to a different determination, a transferable security which is admitted to or dealt in on an eligible market shall be presumed:

7.2.1 not to compromise the ability of the Manager to comply with its obligation to redeem units at the request of any qualifying Unitholder; and

7.2.2 to be negotiable.

8. Closed end funds constituting transferable securities

8.1 A unit in a closed end fund shall be taken to be a transferable security for the purposes of investment by the Scheme, provided it fulfils the criteria for transferable securities set out in paragraph 7 (Investment in transferable securities), and either:

8.1.1 where the closed end fund is constituted as an investment company or a unit trust:

- (a) it is subject to corporate governance mechanisms applied to companies; and
- (b) where another person carries out asset management activity on its behalf, that person is subject to national regulation for the purpose of investor protection; or

- 8.1.2 where the closed end fund is constituted under the law of contract:
- (a) it is subject to corporate governance mechanisms equivalent to those applied to companies; and
 - (b) it is managed by a person who is subject to national regulation for the purpose of investor protection.

9. Transferable securities linked to other assets

- 9.1 The Scheme may invest in any other investment which shall be taken to be a transferable security for the purposes of investment by the Scheme provided the investment:
- 9.1.1 fulfils the criteria for transferable securities set out in paragraph 7 (Investment in transferable securities) above; and
 - 9.1.2 is backed by or linked to the performance of other assets, which may differ from those in which the Scheme can invest.
- 9.2 Where an investment in paragraph 9.1 contains an embedded derivative component (see COLL 5.2.19R(3A)), the requirements of COLL 5.2 with respect to derivatives and forwards will apply to that component.

10. Approved Money-Market Instruments

- 10.1 An approved money-market instrument is a money-market instrument which is normally dealt in on the money market, is liquid and has a value which can be accurately determined at any time.
- 10.2 A money-market instrument shall be regarded as normally dealt in on the money market if it:
- 10.2.1 has a maturity at issuance of up to and including 397 days;
 - 10.2.2 has a residual maturity of up to and including 397 days;
 - 10.2.3 undergoes regular yield adjustments in line with money market conditions at least every 397 days; or
 - 10.2.4 has a risk profile, including credit and interest rate risks, corresponding to that of an instrument which has a maturity as set out in paragraphs 10.2.1 or 10.2.2 or is subject to yield adjustments as set out in paragraph 10.2.3.
- 10.3 A money-market instrument shall be regarded as liquid if it can be sold at limited cost in an adequately short time frame, taking into account the obligation of the Manager to redeem units at the request of any qualifying Unitholder (see COLL 6.2.16R(3)).
- 10.4 A money-market instrument shall be regarded as having a value which can be accurately determined at any time if accurate and reliable valuations systems, which fulfil the following criteria, are available:
- 10.4.1 enabling the Manager to calculate a Net Asset Value in accordance with the value at which the instrument held in the portfolio could be

exchanged between knowledgeable willing parties in an arm's length transaction; and

- 10.4.2 based either on market data or on valuation models including systems based on amortised costs.
- 10.5 A money-market instrument that is normally dealt in on the money market and is admitted to or dealt in on an eligible market shall be presumed to be liquid and have a value which can be accurately determined at any time unless there is information available to the Manager that would lead to a different determination.

11. Transferable securities and money-market instruments generally to be admitted or dealt in on an Eligible Market

- 11.1 Transferable securities and approved money-market instruments held within the Scheme must be:
 - 11.1.1 admitted to or dealt on an eligible market described in paragraph 12.1.1; or
 - 11.1.2 dealt on an eligible market described in paragraph 12.1.2; or
 - 11.1.3 admitted to or dealt in on an eligible market described in 12.2; or
 - 11.1.4 for an approved money-market instrument not admitted to or dealt in on an eligible market, within paragraph 13.1; or
 - 11.1.5 recently issued transferable securities provided that:
 - (a) the terms of issue include an undertaking that application will be made to be admitted to an eligible market; and
 - (b) such admission is secured within a year of issue.
- 11.2 However, the Scheme may invest no more than 10% of the Scheme Property in transferable securities and approved money-market instruments other than those referred to in paragraph 11.1

12. Eligible markets regime: requirements

- 12.1 A market is eligible for the purposes of the rules in COLL if it is:
 - 12.1.1 a regulated market (as defined in the FCA Glossary);
 - 12.1.2 a market in the United Kingdom or an EEA State which is regulated, operates regularly and is open to the public; or
 - 12.1.3 any market within paragraph 12.2.
- 12.2 A market not falling within paragraphs 12.1.1 and 12.1.2 is eligible for the purposes of COLL if:
 - 12.2.1 the Manager, after consultation with and notification to the Trustee, decides that market is appropriate for investment of, or dealing in, the Scheme Property;

- 12.2.2 the market is included in a list in this Prospectus; and
- 12.2.3 the Trustee has taken reasonable care to determine that:
 - (a) adequate custody arrangements can be provided for the investment dealt in on that market; and
 - (b) all reasonable steps have been taken by the Manager in deciding whether that market is eligible.
- 12.3 In paragraph 12.2.1, a market must not be considered appropriate unless it is regulated, operates regularly, is recognised as a market or exchange or as a self-regulatory organisation by an overseas regulator, is open to the public, is adequately liquid and has adequate arrangements for unimpeded transmission of income and capital to or for the order of investors.
- 12.4 The eligible markets in which the Scheme may invest are set out in Appendix 3.

13. Money-market instruments with a regulated issuer

- 13.1 In addition to instruments admitted to or dealt in on an eligible market, the Scheme may invest in an approved money-market instrument provided it fulfils the following requirements:
 - 13.1.1 the issue or the issuer is regulated for the purpose of protecting investors and savings; and
 - 13.1.2 the instrument is issued or guaranteed in accordance with paragraph 14 (Issuers and guarantors of money-market instruments).
- 13.2 The issue or the issuer of a money-market instrument, other than one dealt in on an eligible market, shall be regarded as regulated for the purpose of protecting investors and savings if:
 - 13.2.1 the instrument is an approved money-market instrument;
 - 13.2.2 appropriate information is available for the instrument (including information which allows an appropriate assessment of the credit risks related to investment in it), in accordance with paragraph 15 (Appropriate information for money-market instruments); and
 - 13.2.3 the instrument is freely transferable.

14. Issuers and guarantors of money-market instruments

- 14.1 The Scheme may invest in an approved money-market instrument if it is:
 - 14.1.1 issued or guaranteed by any one of the following:
 - (a) a central authority of the United Kingdom or an EEA State or, if the EEA State is a federal state, one of the members making up the federation;
 - (b) a regional or local authority of the United Kingdom or an EEA State;

- (c) the Bank of England, the European Central Bank or a central bank of an EEA State;
 - (d) the European Union or the European Investment Bank;
 - (e) a non-EEA State or, in the case of a federal state, one of the members making up the federation;
 - (f) a public international body to which the United Kingdom or one or more EEA States belong; or
- 14.1.2 issued by a body, any securities of which are dealt in on an eligible market; or
- 14.1.3 issued or guaranteed by an establishment which is:
- (a) subject to prudential supervision in accordance with criteria defined by UK or EU law; or
 - (b) subject to and complies with prudential rules considered by the FCA to be at least as stringent as those laid down by UK or EU law.
- 14.2 An establishment shall be considered to satisfy the requirement in paragraph 14.1.3(b) if it is subject to and complies with prudential rules, and fulfils one or more of the following criteria:
- 14.2.1 it is located in the European Economic Area;
 - 14.2.2 it is located in an OECD country belonging to the Group of Ten;
 - 14.2.3 it has at least investment grade rating;
 - 14.2.4 on the basis of an in-depth analysis of the issuer, it can be demonstrated that the prudential rules applicable to that issuer are at least as stringent as those laid down by UK or EU law.

15. Appropriate information for money-market instruments

- 15.1 In the case of an approved money-market instrument within paragraph 14.1.2 or issued by a body of the type referred to in COLL 5.2.10E(G); or which is issued by an authority within paragraph 14.1.1(b) or a public international body within paragraph 14.1.1(f) but is not guaranteed by a central authority within paragraph 14.1.1(a), the following information must be available:
- 15.1.1 information on both the issue or the issuance programme, and the legal and financial situation of the issuer prior to the issue of the instrument, verified by appropriately qualified third parties not subject to instructions from the issuer;
 - 15.1.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 15.1.3 available and reliable statistics on the issue or the issuance programme.

- 15.2 In the case of an approved money-market instrument issued or guaranteed by an establishment within paragraph 14.1.3, the following information must be available:
- 15.2.1 information on the issue or the issuance programme or on the legal and financial situation of the issuer prior to the issue of the instrument;
 - 15.2.2 updates of that information on a regular basis and whenever a significant event occurs; and
 - 15.2.3 available and reliable statistics on the issue or the issuance programme, or other data enabling an appropriate assessment of the credit risks related to investment in those instruments.
- 15.3 In the case of an approved money-market instrument:
- 15.3.1 within paragraphs 14.1.1(a), 14.1.1(d) or 14.1.1(e); or
 - 15.3.2 which is issued by an authority within paragraph 14.1.1(b) or a public international body within paragraph 14.1.1(f) and is guaranteed by a central authority within paragraph 14.1.1(a);
- information must be available on the issue or the issuance programme, or on the legal and financial situation of the issuer prior to the issue of the instrument.

16. Spread: general

- 16.1 This paragraph 16 on spread does not apply in respect of a transferable security or an approved money-market instrument to which paragraph 18 applies.
- 16.2 The specific limits are set out as follows:
- 16.2.1 For the purposes of this paragraph 16 companies included in the same group for the purposes of consolidated accounts as defined in accordance with s.399 of the Companies Act 2006, Directive 2013/34/EU, or in the same group in accordance with international accounting standards are regarded as a single body.
 - 16.2.2 Not more than 20% in value of the Scheme Property is to consist of deposits with a single body.
 - 16.2.3 Not more than 5% in value of the Scheme Property is to consist of transferable securities or approved money-market instruments issued by any single body.
 - 16.2.4 The limit of 5% in paragraph 16.2.3 is raised to 10% in respect of up to 40% in value of the Scheme Property. Covered bonds need not to be taken into account for the purpose of applying the limit of 40%.
 - 16.2.5 The limit of 5% in paragraph 16.2.3 is raised to 25% in value of the Scheme Property in respect of covered bonds, provided that when the Scheme invests more than 5% in covered bonds issued by a single body the total value of covered bonds held must not exceed 80% in value of the Scheme Property.

- 16.2.6 In applying paragraphs 16.2.3 and 16.2.4 certificates representing certain securities are to be treated as equivalent to the underlying security.
- 16.2.7 The exposure to any one counterparty in an OTC derivative transaction must not exceed 5% in value of the Scheme Property. This limit is raised to 10% where the counterparty is an Approved Bank.
- 16.2.8 Not more than 20% in value of the Scheme Property is to consist of transferable securities and approved money-market instruments issued by the same group (as referred to in paragraph 16.2.1).
- 16.2.9 Not more than 20% in value of the Scheme is to consist of the units of any one collective investment scheme.
- 16.2.10 In applying the limits in paragraphs 16.2.2, 16.2.3, 16.2.4, 16.2.6 and 16.2.7, and subject to paragraph 16.2.5, not more than 20% in value of the Scheme Property is to consist of any combination of two or more of the following:
 - (a) transferable securities (including covered bonds) or approved money-market instruments issued by a single body; or
 - (b) deposits made with a single body; or
 - (c) exposures from OTC derivatives transactions made with a single body.

17. Counterparty Risk and Issuer Concentration

- 17.1 The Manager must ensure that counterparty risk arising from an OTC derivative transaction is subject to the limits set out in paragraphs 16.2.7 and 16.2.10 above.
- 17.2 When calculating the exposure of the Scheme to a counterparty in accordance with the limits in paragraph 16.2.7, the Manager must use the positive mark-to-market value of the OTC derivative contract with that counterparty.
- 17.3 The Manager may net the OTC derivative positions of the Scheme with the same counterparty, provided:
 - 17.3.1 it is able legally to enforce netting arrangements with the counterparty on behalf of the Scheme; and
 - 17.3.2 the netting arrangements in paragraph 17.3.1 above do not apply to any other exposures the Scheme may have with that same counterparty.
- 17.4 The Manager may reduce the exposure of the Scheme Property to a counterparty to an OTC derivative transaction through the receipt of collateral. Collateral received must be sufficiently liquid so that it can be sold quickly at a price that is close to its pre-sale valuation.
- 17.5 The Manager must take collateral into account in calculating exposure to counterparty risk in accordance with the limits set out in paragraph 16.2.7 when it passes collateral to the counterparty to an OTC derivative transaction on behalf of the Scheme.

- 17.6 Collateral passed in accordance with paragraph 17.5 may be taken into account on a net basis only if the Manager is able legally to enforce netting arrangements with this counterparty on behalf of the Scheme.
- 17.7 The Manager must calculate the issuer concentration limits referred to in paragraph 16 above on the basis of the underlying exposure created through the use of OTC derivatives in accordance with the commitment approach.
- 17.8 In relation to exposures arising from OTC derivative transactions, as referred to in paragraph 16.2.10, the Manager must include in the calculation any counterparty risk relating to the OTC derivative transactions.

18. Spread: Government and public securities

- 18.1 This paragraph 18 applies in respect of transferable securities and approved money-market instruments (**such securities**) that are issued or guaranteed by:

- 18.1.1 the United Kingdom or an EEA State;
- 18.1.2 a local authority of the United Kingdom or an EEA State;
- 18.1.3 a non-EEA State; or
- 18.1.4 a public international body to which the UK or one or more EEA States belong.

- 18.2 Where no more than 35% in value of the Scheme Property is invested in such securities issued by any one body, there is no limit on the amount which may be invested in such securities or in any one issue.

18.3 The Scheme may invest more than 35% in value of the Scheme Property in such securities issued by any one body provided that:

18.3.1 the Manager has before any such investment is made consulted with the Trustee and as a result considers that the issuer of such securities is one which is appropriate in accordance with the investment objective of the Scheme;

18.3.2 no more than 30% in value of the Scheme Property consists of such securities of any one issue;

18.3.3 the Scheme Property includes such securities issued by that or another issuer, of at least six different issues; and

18.3.4 the disclosures required by COLL have been made.

- 18.4 In relation to such securities:

18.4.1 issue, issuer and guarantor include guarantee, guaranteed and guarantor; and

18.4.2 an issue differs from another if there is a difference as to repayment date, rate of interest, guarantor or other material terms of the issue.

- 18.5 Notwithstanding paragraph 16.1 above, and subject to paragraphs 16.2.1 and 16.2.2, in applying the 20% limit in 16.2.10 with respect to a single body, such securities issued by that body shall be taken into account.

18.6 Pursuant to the above, more than 35% in value of the Scheme Property may be invested in such securities issued by the governments of:

18.6.1 the UK; and

18.6.2 the United States of America.

18.7 The Manager has consulted with the Trustee and considers that the issuers named above are ones which are appropriate in accordance with the investment objective of the Scheme.

19. Investment in collective investment schemes

19.1 The Scheme may not invest in units in a collective investment scheme (**second scheme**) unless the second scheme complies with the following requirements, and provided that no more than 30% of the value of the Scheme Property is invested in second schemes within paragraphs 19.2.2 to 19.2.5

19.2 The requirements are that the second scheme must:

19.2.1 be a UK UCITS or satisfy the conditions necessary for it to enjoy the rights conferred by the UCITS Directive as implemented in the EEA; or

19.2.2 be a recognised scheme that is authorised by the supervisory authorities of Guernsey, Jersey or the Isle of Man (provided the requirements of COLL 5.2.13AR, as set out in paragraph 19.3, are met); or

19.2.3 be authorised as a Non-UCITS retail scheme (provided the requirements of COLL 5.2.13AR(1), (3) and (4), as set out in paragraphs 19.3.1, 19.3.3 and 19.3.4, are met); or

19.2.4 be authorised in an EEA State (provided the requirements of COLL 5.2.13AR, as set out in paragraph 19.3, are met); or

19.2.5 be authorised by the competent authority of an OECD member country (other than an EEA State) which has:

(a) signed the IOSCO Multilateral Memorandum of Understanding; and

(b) approved the scheme's management company, rules and depositary/custody arrangements;

(provided the requirements of COLL 5.2.13AR, as set out in paragraph 19.3, are met).

19.3 The requirements referred to in 19.2 are that:

19.3.1 the second scheme is an undertaking:

(a) with the sole object of collective investment in transferable securities or in other liquid financial assets, as referred to in COLL 5, of capital raised from the public and which operate on the principle of risk-spreading; and

- (b) with units which are, at the request of holders, repurchased or redeemed, directly or indirectly, out of those undertakings' assets (action taken by a scheme to ensure that the price of its units on an investment exchange does not significantly vary from their net asset value shall be regarded as equivalent to such repurchase or redemption);
- 19.3.2 the second scheme is authorised under laws which provide that they are subject to supervision considered by the FCA to be equivalent to that laid down in the law of the United Kingdom, and that cooperation between the FCA and the supervisory authorities of the second scheme is sufficiently ensured;
- 19.3.3 the level of protection for unitholders in the second scheme is equivalent to that provided for unitholders in a UK UCITS, and in particular that the rules on asset segregation, borrowing, lending, and uncovered sales of transferable securities and approved money-market instruments are equivalent to the requirements of COLL 5; and
- 19.3.4 the business of the second scheme is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period.
- 19.4 The second scheme must comply, where relevant, with COLL 5.2.15R (Investment in associated collective investment schemes) and COLL 5.2.16R (Investment in other group schemes).
- 19.5 The second scheme must have terms which prohibit more than 10% in value of its scheme property consisting of units in collective investment schemes.
- 19.6 Where the second scheme is an umbrella, the provisions in paragraphs 19.4 and 19.5 above and COLL 5.2.11R (Spread: general) apply to each sub-fund as if it were a separate scheme.
- 19.7 Up to 100% of the Scheme Property of the Scheme may consist of units in collective investment schemes.
- 19.8 Where a substantial proportion of the Scheme's assets are invested in other collective investment schemes, the maximum level of management fees that may be charged to the Scheme, and to the other collective investment schemes in which it invests, should not exceed 2.5% per annum (plus VAT, if applicable). However, it is expected that any actual annual management fee will not exceed 2%.
- 19.9 The Scheme may invest in, and the Scheme Property of the Scheme may include, units in another collective investment scheme managed or operated by the Manager or an Associate of the Manager subject to the rules contained in the FCA Handbook.
- 19.10 Where the Scheme makes an investment in, or disposal of, units or shares of a second scheme detailed in paragraph 19.9, and there is a charge in respect of such investment or disposal, the Manager must pay the Scheme the amount referred to in either paragraph 19.11 or paragraph 19.12 within four Business Days following the date of the agreement to invest or dispose.
- 19.11 When an investment is made, the amount referred to in paragraph 19.10 is either:

- 19.11.1 any amount by which the consideration paid by the Scheme for the units or shares in the second scheme exceeds the price that would have been paid for the benefit of the second scheme had the units or shares been newly issued or sold by it; or
 - 19.11.2 if such price cannot be ascertained by the Manager, the maximum amount of any charge permitted to be made by the seller of units or shares in the second scheme.
- 19.12 When a disposal is made, the amount referred to in paragraph 19.10 is any charge made for the account of the authorised fund manager or operator of the second scheme or an Associate of any of them in respect of the disposal.
- 19.13 In paragraphs 19.10 to 19.12 above:
- 19.13.1 any addition to or deduction from the consideration paid on the acquisition or disposal of units in the second scheme, which is applied for the benefit of the second scheme and is, or is like, a dilution levy made in accordance with COLL 6.3.8R, is to be treated as part of the price of the units and not as part of any charge; and
 - 19.13.2 any switching charge made in respect of an exchange of units in one sub-fund or separate part of the second scheme for units in another sub-fund or separate part of that scheme is to be included as part of the consideration paid for the units.

20. Investment in nil and partly paid securities

A transferable security or an approved money-market instrument on which any sum is unpaid falls within a power of investment only if it is reasonably foreseeable that the amount of any existing and potential call for any sum unpaid could be paid by the Scheme, at the time when payment is required, without contravening the rules in COLL 5.

21. Derivatives

- 21.1 **Under COLL, derivatives are permitted for UK UCITS for investment purposes and derivative transactions may be used for the purposes of hedging or meeting the investment objective or both.**
- 21.2 **The Scheme does not currently intend to use Scheme Property to invest in derivatives and forward transactions under COLL, other than for the purposes of efficient portfolio management techniques which is not expected to have a detrimental effect on the risk profile of the Scheme.**
- 21.3 Any use of derivative instruments would be in accordance with COLL 5.3.11G.
- 21.4 A transaction in derivatives or a forward transaction cannot be effected for the Scheme unless:
- 21.4.1 it is a permitted derivatives or forward transaction (as set out in paragraph 22); and
 - 21.4.2 it is covered as required by COLL 5.3.3AR.

- 21.5 If the Scheme invests in derivatives, the exposure to the underlying assets must not exceed the limits in paragraphs 16 and 18 above save as provided in paragraph 21.9.
- 21.6 Where a transferable security or approved money-market instrument embeds a derivative this must be taken into account for the purposes of complying with this Appendix 1.
- 21.7 A transferable security or an approved money-market instrument will embed a derivative if it contains a component which fulfils the following criteria:
- 21.7.1 by virtue of that component some or all of the cash flows that otherwise would be required by the transferable security or approved money-market instrument which functions as host contract can be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index or other variable, and therefore vary in a way similar to a standalone derivative;
 - 21.7.2 the economic characteristics and risks are not closely related to the economic characteristics and risks of the host contract; and
 - 21.7.3 it has a significant impact on the risk profile and pricing of the transferable security or approved money-market instrument.
- 21.8 A transferable security or an approved money-market instrument does not embed a derivative where it contains a component which is contractually transferable independently of the transferable security or the approved money-market instrument. That component shall be deemed to be a separate instrument.
- 21.9 If the Scheme invests in an index-based derivative, provided the relevant index falls within COLL 5.2.20AR (as set out in paragraph 25 below), the underlying constituents of the index do not have to be taken into account for the purposes of paragraphs 16 and 18 above, provided the Manager takes account of the requirements in COLL 5.2.3R (as set out in paragraph 2 above) for a prudent spread of risk.

22. Permitted transactions (derivatives and forwards)

- 22.1 A transaction in a derivative must:
- 22.1.1 be in an approved derivative; or
 - 22.1.2 be an OTC derivative which complies with paragraph 23.
- 22.2 In addition, the underlying of a transaction in a derivative must consist of any or all of the following to which the Scheme is dedicated:
- 22.2.1 transferable securities permitted under paragraphs 11.1.1 to 11.1.3 or 11.1.5;
 - 22.2.2 money-market instruments permitted under paragraphs 11.1.1 to 11.1.4;
 - 22.2.3 deposits permitted under paragraph 27;

- 22.2.4 derivatives permitted under this paragraph 22;
 - 22.2.5 collective investment scheme units permitted under paragraphs 19.1 to 19.2 and 19.4 to 19.6;
 - 22.2.6 financial indices which satisfy the criteria set out in paragraph 25;
 - 22.2.7 interest rates;
 - 22.2.8 foreign exchange rates and
 - 22.2.9 currencies.
- 22.3 A transaction in an approved derivative must be effected on or under the rules of an eligible derivatives market.
- 22.4 A transaction in a derivative must not cause the Scheme to diverge from its investment objective as stated in the most recently published Prospectus.
- 22.5 A transaction in a derivative must not be entered into if the intended effect is to create the potential for an uncovered sale of one or more transferable securities, approved money-market instruments, collective investment scheme units or derivatives, provided that a sale is not to be considered as uncovered if the conditions in COLL 5.2.22R(1) (as set out in paragraph 26), as read in accordance with the guidance at COLL 5.2.22AG, are satisfied.
- 22.6 Any forward transaction must be made with an Eligible Institution or an Approved Bank.
- 22.7 A derivative includes an instrument which fulfils the following criteria:
- 22.7.1 it allows the transfer of the credit risk of the underlying independently from the other risks associated with that underlying;
 - 22.7.2 it does not result in the delivery or the transfer of assets other than those referred to in COLL 5.2.6AR (as set out in paragraph 5 above) including cash;
 - 22.7.3 in the case of an OTC derivative, it complies with the requirements in COLL 5.2.23R (as set out in paragraph 23 below);
 - 22.7.4 its risks are adequately captured by the risk management process of the Manager, and by its internal control mechanisms in the case of risks of asymmetry of information between the Manager and the counterparty to the derivative, resulting from potential access of the counterparty to non-public information on persons whose assets are used as the underlying by that derivative.
- 22.8 The Scheme may not undertake transactions in derivatives of commodities.

23. OTC transactions in derivatives

24. A transaction in an OTC derivative under paragraph 22.1.2 must be:

- 24.1.1 with an approved counterparty; a counterparty to a transaction in derivatives is approved only if the counterparty is:
- (a) an Eligible Institution or an Approved Bank;
 - (b) a person whose permission (including any requirements or limitations), as published in the Financial Services Register, permits it to enter into the transaction as principal off-exchange;
 - (c) a CCP that is authorised in that capacity for the purposes of EMIR;
 - (d) a CCP that is recognised in that capacity in accordance with the process set out in article 25 of EMIR; or
 - (e) to the extent not already covered above, a CCP supervised in a jurisdiction that:
 - (i) has implemented the relevant G20 reforms on over-the-counter derivatives to at least the same extent as the United Kingdom; and
 - (ii) is identified as having done so by the Financial Stability Board in its summary report on progress in implementation of G20 financial regulatory reforms dated 25 June 2019;
- 24.1.2 on approved terms, the terms of the transaction in derivatives are approved only if the Manager:
- (a) carries out, at least daily, a reliable and verifiable valuation in respect of that transaction corresponding to its fair value and which does not rely only on market quotations by the counterparty; and
 - (b) can enter into one or more further transactions to sell, liquidate or close out that transaction at any time at its fair value;
- 24.1.3 capable of reliable valuation; a transaction in derivatives is capable of reliable valuation only if the Manager having taken reasonable care determines that, throughout the life of the derivative (if the transaction is entered into), it will be able to value the investment concerned with reasonable accuracy:
- (a) on the basis of an up-to-date market value which the Manager and the Trustee have agreed is reliable; or
 - (b) if the value referred to in sub-paragraph (a) is not available, on the basis of a pricing model which the Manager and the Trustee have agreed uses an adequate recognised methodology; and
- 24.1.4 subject to verifiable valuation; a transaction in derivatives is subject to verifiable valuation only if, throughout the life of the derivative (if the

transaction is entered into) verification of the valuation is carried out by:

- (a) an appropriate third party which is independent from the counterparty of the derivative, at an adequate frequency and in such a way that the Manager is able to check it; or
- (b) a department within the Manager which is independent from the department in charge of managing the Scheme Property and which is adequately equipped for such a purpose.

24.2 The jurisdictions that fall within 24.1.1(e) are Australia, France, Germany, Hong Kong, Italy, Japan, the Netherlands, Singapore, Spain, Switzerland, and the United States of America.

24.3 For the purposes of paragraph 24.1.2, **fair value** is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction.

24.4 In respect of its obligations under COLL 6.6.4R(1)(a), The Trustee must take reasonable care to ensure that the Manager has systems and controls that are adequate to ensure compliance with paragraph 24.1.1.

24.5 For the purposes of paragraph 24.1.2 the Manager must:

24.5.1 establish, implement, and maintain arrangements and procedures which ensure appropriate, transparent and fair valuation of the exposure of the Scheme to OTC derivatives; and

24.5.2 ensure that the fair value of OTC derivatives is subject to adequate, accurate and independent assessment.

24.6 Where the arrangements and procedures referred to in paragraph 24.5 involve the performance of certain activities of third parties, the Manager must comply with the requirements of SYSC 8.1.13R (Additional requirements for a management company) and COLL 6.6A.4 R (5) and (6) (Due diligence requirements of AFMs of UCITS schemes).

24.7 The arrangements and procedures referred to in paragraph 24.5 must be adequate and proportionate to the nature and complexity of the OTC derivative concerned and adequately documented.

25. Financial indices underlying derivatives

25.1 The financial indices referred to in paragraph 22.2.6 are those which satisfy the following criteria:

25.1.1 the index is sufficiently diversified;

25.1.2 the index represents an adequate benchmark for the market to which it refers; and

25.1.3 the index is published in an appropriate manner.

25.2 A financial index is sufficiently diversified if:

- 25.2.1 it is composed in such a way that price movements or trading activities regarding one component do not unduly influence the performance of the whole index;
 - 25.2.2 where it is composed of assets in which the Scheme is permitted to invest, its composition is at least diversified in accordance with the requirements with respect to spread and concentration set out in this Appendix 1; and
 - 25.2.3 where it is composed of assets in which the Scheme cannot invest, it is diversified in a way which is equivalent to the diversification achieved by the requirements with respect to spread and concentration set out in this Appendix 1.
- 25.3 A financial index represents an adequate benchmark for the market to which it refers if:
- 25.3.1 it measures the performance of a representative group of underlyings in a relevant and appropriate way;
 - 25.3.2 it is revised or rebalanced periodically to ensure that it continues to reflect the markets to which it refers, following criteria which are publicly available; and
 - 25.3.3 the underlyings are sufficiently liquid, allowing users to replicate it if necessary.
- 25.4 A financial index is published in an appropriate manner if:
- 25.4.1 its publication process relies on sound procedures to collect prices, and calculate and subsequently publish the index value, including pricing procedures for components where a market price is not available; and
 - 25.4.2 material information on matters such as index calculation, rebalancing methodologies, index changes or any operational difficulties in providing timely or accurate information is provided on a wide and timely basis.
- 25.5 Where the composition of underlyings of a transaction in a derivative does not satisfy the requirements for a financial index, the underlyings for that transaction shall, where they satisfy the requirements with respect to other underlyings pursuant to paragraph 22.2, be regarded as a combination of those underlyings.

25.6 Transactions for the purchase of property

A derivative or forward transaction which would or could lead to the delivery of property for the account of the Scheme may be entered into only if such property can be held for the account of the Scheme, and the Manager having taken reasonable care determines that delivery of the property pursuant to the transaction will not lead to a breach of COLL.

26. Requirement to cover sales

- 26.1 No agreement by or on behalf of the Scheme to dispose of property or rights (except for a deposit) may be made unless:

26.1.1 the obligation to make the disposal and any other similar obligation could immediately be honoured by the Scheme by delivery of property or the assignment of rights; and

26.1.2 the property and rights at paragraph 26.1.1 are owned by the Scheme at the time of the agreement.

27. Investment in deposits

The Scheme may invest in deposits only with an Approved Bank and which are repayable on demand or have the right to be withdrawn, and maturing in no more than 12 months.

28. Significant influence

28.1 The Manager must not acquire, or cause to be acquired for the Scheme, transferable securities issued by a body corporate and carrying rights to vote (whether or not on substantially all matters) at a general meeting of that body corporate if:

28.1.1 immediately before the acquisition, the aggregate of any such securities held for the Scheme, taken together with any such securities already held for other AUTs or ACSs of which the Manager is also the authorised fund manager, gives the Manager power significantly to influence the conduct of business of that body corporate; or

28.1.2 the acquisition gives the Manager that power.

28.2 For the purposes of paragraph 28.1, the Manager is to be taken to have power significantly to influence the conduct of business of a body corporate if it can, because of the transferable securities held for all the AUTs or ACSs of which it is the authorised fund manager, exercise or control the exercise of 20% or more of the voting rights in that body corporate (disregarding for this purpose any temporary suspension of voting rights in respect of the transferable securities of that body corporate).

29. Concentration limits

29.1 The Scheme:

29.1.1 must not acquire transferable securities (other than debt securities) which:

(a) do not carry a right to vote on any matter at a general meeting of the body corporate that issued them; and

(b) represent more than 10% of those securities issued by that body corporate;

29.1.2 must not acquire more than 10% of the debt securities issued by any single body;

29.1.3 must not acquire more than 25% of the units in a collective investment scheme; and

29.1.4 must not acquire more than 10% of the approved money-market instruments issued by any single body.

29.2 However, the Scheme need not comply with the limits in paragraphs 29.1.2, 29.1.3 and 29.1.4 above if, at the time of the acquisition, the net amount in issue of the relevant investment cannot be calculated.

30. Schemes replicating an index

30.1 Notwithstanding paragraph 16 (Spread: general), the Scheme may invest up to 20% in value of the Scheme Property in shares and debentures which are issued by the same body where the investment policy of the Scheme as stated in the most recently published Prospectus is to replicate the composition of a relevant index which satisfies the criteria specified in paragraphs 30.5 to 30.8 below.

30.2 Replication of the composition of a relevant index shall be understood to be a reference to replication of the composition of the underlying assets of that index, including the use of techniques and instruments permitted for the purpose of efficient portfolio management.

30.3 The 20% limit in paragraph 30.1 can be raised for the Scheme up to 35% in value of the Scheme Property, but only in respect of one body and where justified by exceptional market conditions.

30.4 In the case of the Scheme replicating an index the Scheme Property need not consist of the exact composition and weighting of the underlying in the relevant index where deviation from this is expedient for reasons of poor liquidity or excessive cost to the scheme in trading in an underlying investment.

30.5 The indices referred to in paragraph 30.1 above are those which satisfy the following criteria:

30.5.1 the composition is sufficiently diversified;

30.5.2 the index represents an adequate benchmark for the market to which it refers; and

30.5.3 the index is published in an appropriate manner.

30.6 The composition of an index is sufficiently diversified if its components adhere to the spread and concentration requirements in this Appendix 1.

30.7 An index represents an adequate benchmark if its provider uses a recognised methodology which generally does not result in the exclusion of a major issuer of the market to which it refers.

30.8 An index is published in an appropriate manner if:

30.8.1 it is accessible to the public;

30.8.2 the index provider is independent from the index-replicating Scheme; this does not preclude index providers and the Scheme from forming part of the same group, provided that effective arrangements for the management of conflicts of interest are in place.

31. Derivatives exposure

31.1 The Scheme may invest in derivatives and forward transactions as long as the exposure to which the Scheme is committed by that transaction itself is suitably

covered from within its Scheme Property. Exposure will include any initial outlay in respect of that transaction.

- 31.2 Cover ensures that the Scheme is not exposed to the risk of loss of property, including money, to an extent greater than the net value of the Scheme Property. Therefore, the Scheme must hold Scheme Property sufficient in value or amount to match the exposure arising from a derivative obligation to which the Scheme is committed. Paragraph 32 (Cover for transactions in derivatives and forward transactions) sets out detailed requirements for cover of the Scheme.
- 31.3 Cover used in respect of one transaction in derivatives or forward transaction must not be used for cover in respect of another transaction in derivatives or a forward transaction.

32. Cover for transactions in derivatives and forward transactions

- 32.1 The Manager must ensure that the Scheme's global exposure relating to derivatives and forwards transactions held for that Scheme may not exceed the net value of the Scheme Property.
- 32.2 The Manager must calculate the Scheme's global exposure on at least a daily basis, in accordance with the methods described in COLL 5.3.7R to COLL 5.3.10R. For the purposes of this paragraph, exposure must be calculated taking into account the current value of the underlying assets, the counterparty risk, future market movements and the time available to liquidate the positions.

33. Cover and borrowing

- 33.1 Cash obtained from borrowing, and borrowing which the Manager reasonably regards an Eligible Institution or an Approved Bank to be committed to provide, is not available for cover under the previous paragraph 32 (Cover for transactions in derivatives and forward transactions) except where, for the purposes of this paragraph, the Scheme:
 - 33.1.1 borrows an amount of currency from an Eligible Institution or an Approved Bank; and
 - 33.1.2 keeps an amount in another currency, at least equal to such borrowing for the time on deposit with the lender (or their agent or nominee),

then this applies as if the borrowed currency, and not the deposited currency, were part of the Scheme Property.

34. Cash and near cash

- 34.1 Cash and near cash must not be retained in the Scheme Property except to the extent that, this may reasonably be regarded as necessary in order to enable:
 - 34.1.1 the pursuit of the Scheme's investment objective; or
 - 34.1.2 redemption of Units; or
 - 34.1.3 efficient management of the Scheme in accordance with its investment objective; or

34.1.4 other purposes which may reasonably be regarded as ancillary to the investment objective of the Scheme.

34.2 During the period of the initial offer the Scheme Property may consist of cash and near cash without limitation.

35. General power to borrow

35.1 The Scheme may, in accordance with this paragraph, borrow money for the use of the Scheme on terms that the borrowing is to be repayable out of the Scheme Property. This power to borrow is subject to the obligation of the Scheme to comply with any restriction in the Trust Deed constituting the Scheme.

35.2 The Scheme may borrow under paragraph 35.1 only from an Eligible Institution or an Approved Bank.

35.3 The Manager must ensure that any borrowing is on a temporary basis and that borrowings are not persistent, and for this purpose the Manager must have regard in particular to:

35.3.1 the duration of any period of borrowing; and

35.3.2 the number of occasions on which it has resorted to borrowing in any period.

35.4 The Manager must ensure that no period of borrowing exceeds three months, without the consent of the Trustee.

35.5 These borrowing restrictions do not apply to "back to back" borrowing as outlined in paragraph 33.

35.6 The Scheme must not issue any debenture unless it acknowledges or creates a borrowing that complies with paragraph 35.1 to 35.5.

36. Borrowing limits

36.1 The Manager must ensure that the Scheme's borrowing does not, on any Business Day, exceed 10% of the value of the Scheme Property of the Scheme.

36.2 These borrowing limits do not apply to "back to back" borrowing as outlined in paragraph 33.

36.3 In this paragraph 36, "borrowing" includes, as well as borrowing in a conventional manner, any other arrangement (including a combination of derivatives) designed to achieve a temporary injection of money into the Scheme Property in the expectation that the sum will be repaid.

37. Restrictions on lending of money

37.1 None of the money in the Scheme Property of the Scheme may be lent and, for the purposes of this prohibition, money is lent by the Scheme if it is paid to a person (the **payee**) on the basis that it should be repaid, whether or not by the payee.

37.2 Acquiring a debenture is not lending for the purposes of paragraph 37.1; nor is the placing of money on deposit or in a current account.

37.3 Paragraph 37.1 does not prevent the Scheme from providing an officer of the Scheme with funds to meet expenditure to be incurred by them for the purposes of the Scheme (or for the purposes of enabling them to properly to perform their duties as an officer of the Scheme) or from doing anything to enable an officer to avoid incurring such expenditure.

38. Restrictions on lending of property other than money

38.1 The Scheme Property of the Scheme other than money must not be lent by way of deposit or otherwise.

38.2 Transactions permitted by paragraph 41 (Stock lending) are not lending for the purposes of paragraph 38.1.

38.3 The Scheme Property of the Scheme must not be mortgaged.

38.4 Where transactions in derivatives or forward transactions are used for the account of the Scheme, this paragraph does not prevent the Scheme (or the Trustee at the request of the Scheme) from

38.4.1 lending, depositing, pledging or charging Scheme Property for margin requirements; or

38.4.2 transferring Scheme Property under the terms of an agreement in relation to margin requirements, provided that the Manager reasonably considers that both the agreement and the margin arrangements made under it (including in relation to the level of margin) provide appropriate protection to Unitholders.

39. General power to accept or underwrite placings

39.1 Any power in COLL 5 to invest in transferable securities may be used for the purpose of entering into transactions to which this paragraph 39 applies, subject to compliance with any restriction in the Trust Deed.

39.2 This paragraph 39 applies, subject to paragraph 39.3, to any agreement or understanding which:

39.2.1 is an underwriting or sub-underwriting agreement; or

39.2.2 contemplates that securities will or may be issued or subscribed for or acquired for the account of the Scheme.

39.3 Paragraph 39.2 does not apply to:

39.3.1 an option; or

39.3.2 a purchase of a transferable security which confers a right to:

(a) to subscribe for or acquire a transferable security; or

(b) to convert one transferable security into another.

39.3.3 The exposure of the Scheme to agreements and understandings within paragraph 39.2 must, on any Business Day:

- (a) be covered in accordance with the requirements of COLL 5.3.3R;
and
- (b) be such that, if all possible obligations arising under them had immediately to be met in full, there would be no breach of any limit in COLL 5.

40. Guarantees and indemnities

- 40.1 The Scheme, or the Trustee for the account of the Scheme, must not provide any guarantee or indemnity in respect of the obligation of any person.
- 40.2 None of the Scheme Property may be used to discharge any obligation arising under a guarantee or indemnity with respect to the obligation of any person.
- 40.3 However, paragraphs 40.1 and 40.2 do not apply in respect of the Scheme to:
 - 40.3.1 any indemnity or guarantee given for margin requirements where the derivatives or forward transactions are being used in accordance with the FCA Rules;
 - 40.3.2 an indemnity falling within the provisions of regulation 62(3) (Exemptions from liability to be void) of the OEIC Regulations;
 - 40.3.3 an indemnity (other than any provision in it which is void under regulation 62 of the OEIC Regulations) given to the Trustee against any liability incurred by it as a consequence of the safekeeping of any of the Scheme Property by it or by anyone retained by it to assist it to perform its function of the safekeeping of the Scheme Property; and
 - 40.3.4 an indemnity given to a person winding up a scheme if the indemnity is given for the purposes of arrangements by which the whole or part of the property of that scheme becomes the first property of the Scheme and the holders of units in that scheme become the first Unitholders in the Scheme.

41. Stock lending

- 41.1 The Scheme may only enter into a stock lending arrangement or repo contract in accordance with the rules in COLL 5.4 if the arrangement or contract is:
 - 41.1.1 for the account of and for the benefit of the Scheme; and
 - 41.1.2 in the interests of its Unitholders.
- 41.2 Such an arrangement or contract is not in the interests of unitholders unless it reasonably appears to the Manager to be appropriate with a view to generating additional income for the Scheme with an acceptable degree of risk.
- 41.3 The Scheme, or the Trustee at the request of the Manager, may enter into a repo contract or a stock lending arrangement of the kind described in section 263B of the Taxation of Chargeable Gains Act 1992 (without extension by section 263C), but only if:
 - 41.3.1 all the terms of the agreement under which securities are to be reacquired by the Trustee for the account of the Scheme are in a form

which is acceptable to the Trustee and are in accordance with good market practice;

41.3.2 the counterparty is:

- (a) an authorised person; or
- (b) a person authorised by a Home State regulator; or
- (c) a person registered as a broker-dealer with the Securities and Exchange Commission of the United States of America; or
- (d) a bank, or a branch of a bank, supervised and authorised to deal in investments as principal, with respect to OTC derivatives by at least one of the following federal banking supervisory authorities of the United States of America: the Office of the Comptroller of the Currency; the Federal Deposit Insurance Corporation; the Board of Governors of the Federal Reserve System; and the Office of Thrift Supervision; and

41.3.3 high quality and liquid collateral is obtained to secure the obligation of the counterparty under the terms referred to in paragraph 41.3.1 and the collateral is:

- (a) acceptable to the Trustee;
- (b) adequate (within the meaning of COLL 5.4.6R; and
- (c) sufficiently immediate.

41.4 The counterparty for the purpose of paragraph 41.3 is the person who is obliged under the agreement referred to in paragraph 41.3.1 to transfer to the Trustee the securities transferred by the Trustee under the stock lending arrangement or securities of the same kind.

41.5 Paragraph 41.3.3 does not apply to a stock lending transaction made through Euroclear Bank S.A./N.V.'s Securities Lending and Borrowing Programme.

41.6 As at the date of this Prospectus, whilst the Scheme may use repurchase / reverse repurchase agreements and stock lending agreements, it currently does not do so. However, the Manager reserves the right to permit the use of such SFTs in the future. If this were to change in the future this Prospectus will be reviewed and updated.

Appendix 2

Historical Performance

The comparisons are representative of units for the Scheme over a five-year period. The performance table shows the total annual return (as percentage) up to 31 December in each year listed. Where data is not yet available, the table is marked "N/A".

This performance information is net of subscription and redemption fees but does not include the effect of any preliminary charge that may be paid on the purchase of an investment.

| | 2020 | 2021 | 2022 | 2023 | 2024 |
|---------------------------|-------------|-------------|-------------|-------------|-------------|
| | (%) | (%) | (%) | (%) | (%) |
| The HoundStar Fund | N/A | N/A | 13.32 | 15.94 | 19.71 |

Source of performance data – MorningStar

These performance figures are presented as a matter of record and should be regarded as such.

Performance is determined by many factors including the general direction and volatility of markets and may not be repeatable.

Investors should note that these figures refer to the past and past performance is not a reliable indicator of future results, growth or rates of return.

Appendix 3

Eligible Markets

A market is an "Eligible Market" if it is:

- a regulated market (as defined in the FCA Glossary);
- a market in the United Kingdom or an EEA State which is regulated, operates regulatory and is open to the public; or
- a market which the Manager, after consultation with, and notification to, the Trustee, determines is appropriate for the purpose of investment of, or dealing in, the Scheme Property. In accordance with the relevant criteria in COLL, such a market must be regulated; operate regularly; be recognised as a market or exchange or as a self-regulating organisation by an overseas regulator; be open to the public; be adequately liquid; and have adequate arrangements for unimpeded transmission of income and capital to, or to the order of, investors.

Detailed below are the additional eligible markets on which the Scheme is currently permitted to deal.

Eligible securities markets

| | |
|---------------|--|
| Australia: | Australian Securities Exchange |
| Canada: | TSX Venture Exchange |
| Europe: | those markets established in a member state on which transferable securities admitted to official listing in a member state are dealt in or traded |
| Hong Kong: | Hong Kong Exchanges |
| Japan: | Stock exchanges of Nagoya, Osaka and Toyko (JASDAQ Securities Exchange) |
| Korea: | Korea Stock Exchange Incorporated |
| Mexico: | Mexican Stock Exchange |
| New Zealand: | New Zealand Stock Exchange (NSX) |
| Singapore: | Singapore Exchange (SGX) |
| South Africa: | JSE Securities Exchange |
| Switzerland: | SIX Swiss Exchange AG |
| Thailand: | Stock Exchange of Thailand (SET) |
| USA: | (1) NASDAQ (the electronic inter-dealer quotation system of America operated by the National Association of Securities Dealers Inc) (2) any exchange registered with the Securities and Exchange Commission as a national stock exchange, including the NYSE Euronext, and the Chicago Stock Exchange, NYSC Arca Equities and NASDAQ OMX PHLX |

- (3) the market in transferable securities issued by or on behalf of the Government of the United States of America conducted through persons for the time being recognised and supervised by the Federal Reserve Bank of New York and known as primary dealer.
- (4) the Over-the-Counter Market regulated by the National Association of Securities Dealers Inc.

Eligible derivatives markets

| | |
|---------------|--|
| Italy: | Equities Derivatives Market (IDEM) and Futures Market for Government Securities (MIF) |
| Japan: | Tokyo Financial Exchange Inc. |
| New Zealand: | New Zealand Futures and Options Exchange |
| Spain: | BME, Spanish Exchanges |
| South Africa: | South African Futures Exchange |
| UK | Euronext |
| | London International Financial Futures and Options Exchange (LIFFE) |
| | London Securities & Derivatives Exchange Ltd (OMLX) |
| USA: | Chicago Board Options Exchange, CME Group Inc., New York Futures, New York Mercantile, Philadelphia BOT and Kansas BOT |

Appendix 4

Securities Financing Transactions and Total Return Swaps

1. The Scheme is required by the UK SFTR to make certain disclosures in respect of the SFTs and TRSs that it is authorised to use.
2. As at the date of this Prospectus, whilst the Scheme may use SFTs and TRSs, it currently does not do so. However, the Manager reserves the right to permit the use of such instruments in the future.
3. Where the Manager intends to allow the Scheme to enter into SFTs or TRSs, not less than 60 days' written notice will be given to the relevant investors. In addition, this Prospectus will be updated in accordance with the UK SFTR to include the following:
 - 3.1 a general description of the SFTs and TRSs used and the rationale for their use;
 - 3.2 overall data for each type of SFT and TRS, including;
 - 3.2.1 the types of assets that can be subject to them;
 - 3.2.2 the maximum and expected proportion of assets under management that will be subject to each of them;
 - 3.3 the criteria used to select counterparties;
 - 3.4 a description of acceptable collateral;
 - 3.5 a description of the collateral valuation methodology used and its rationale;
 - 3.6 a description of the risks linked to the SFTs and TRSs as well as risks linked to collateral management and, where applicable, the risks arising from its reuse;
 - 3.7 a specification of how assets subject to SFTs and TRSs and collateral received are safe-kept;
 - 3.8 a specification of any restrictions on reuse of collateral; and
 - 3.9 a description of the policy on sharing of return generated by SFTs and TRSs.

Appendix 5

List of sub-custodians

As appropriate to the listed Eligible Markets

| Jurisdiction | Sub-custodian | Sub-custodian Delegate |
|--|---|--|
| Argentina | Citibank N.A., Buenos Aires Branch | |
| Australia | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Australia Limited |
| Austria | UniCredit Bank Austria AG | |
| Bahrain | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited |
| Bangladesh | Standard Chartered Bank | |
| Belgium | The Northern Trust Company | |
| Bosnia and Herzegovina (Federation of Bosnia-Herzegovina) | Raiffeisen Bank International AG | Raiffeisen Bank Bosnia DD BiH |
| Bosnia and Herzegovina (Republic of Srpska) | Raiffeisen Bank International AG | Raiffeisen Bank Bosnia DD BiH |
| Botswana | Standard Chartered Bank Botswana Limited | |
| Brazil | Citibank N.A., Brazilian Branch | Citibank Distribuidora de Titulos e Valores Mobiliarios S.A ("DTVM") |
| Bulgaria | Citibank Europe plc, Bulgaria Branch | |
| Canada | The Northern Trust Company, Canada Branch | |

| | | |
|-----------------------|---|-----------------------------------|
| Canada | Royal Bank of Canada | |
| Chile | Citibank N.A. | Banco de Chile |
| China A Share | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (China) Company Limited |
| China A Share | Industrial and Commercial Bank of China Limited | |
| China B Share | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (China) Company Limited |
| Clearstream | Clearstream Banking S.A | |
| Colombia | Cititrust Columbia S.A. Sociedad Fiduciaria | |
| Costa Rica | Banco Nacional de Costa Rica | |
| Croatia | UniCredit Bank Austria AG | Zagrebacka Banka d.d. |
| Cyprus | Citibank Europe PLC | |
| Czech Republic | UniCredit Bank Czech Republic and Slovenia, a.s. | |
| Denmark | Skandinaviska Enskilda Banken AB (publ) | |
| Egypt | Citibank N.A., Cairo Branch | |
| Estonia | Swedbank AS | |
| Euroclear | Euroclear Bank S.A/N.V | |

| | | |
|---|---|--|
| Finland | Skandinaviska Enskilda Banken AB (publ) | |
| France | The Northern Trust Company | |
| Germany | The Northern Trust Company | |
| Ghana | Standard Chartered Bank Ghana Limited | |
| Greece | Citibank Europe PLC | |
| Hong Kong | The Hongkong and Shanghai Banking Corporation Limited | |
| Hong Kong (Stock and Bond Connect) | The Hongkong and Shanghai Banking Corporation Limited | |
| Hungary | Citibank Europe plc | |
| Iceland | Landsbankinn hf | |
| India | Citibank N.A. | |
| Indonesia | Standard Chartered Bank | |
| Ireland | The Northern Trust Company, London | |
| Israel | Citibank, N.A., Israel Branch | |
| Italy | Citibank Europe plc | |
| Japan | The Hongkong and Shanghai Banking Corporation Limited | |

| | | |
|--------------------|---|-------------------------------|
| Jordan | Bank of Jordan Plc | |
| Kazakhstan | Citibank Kazakhstan JSC | |
| Kenya | Standard Chartered Bank Kenya Limited | |
| Kuwait | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited |
| Latvia | Swedbank AS | |
| Lithuania | AB SEB bankas | |
| Luxembourg | Euroclear Bank S.A./N.V. | |
| Malaysia | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Malaysia Berhad |
| Mauritius | The Hongkong and Shanghai Banking Corporation Limited | |
| Mexico | Banco Citi Mexico S.A. | |
| Morocco | Citibank Maghreb S.A. | |
| Namibia | Standard Bank Namibia Ltd | |
| Netherlands | The Northern Trust Company | |
| New Zealand | The Hongkong and Shanghai Banking Corporation Limited | |
| Nigeria | Stanbic IBTC Bank Plc | |

| | | |
|---------------------|---|-------------------------------|
| Norway | Skandinaviska Enskilda Banken AB (publ) | |
| Oman | First Abu Dhabi PJSC, Oman Branch | |
| Pakistan | Citibank N.A., Karachi Branch | |
| Panama | Citibank N.A., Panama Branch | |
| Peru | Citibank del Peru S.A. | |
| Philippines | The Hongkong and Shanghai Banking Corporation Limited | |
| Poland | Bank Handlowy w Warszawie S.A. | |
| Portugal | BNP Paribas SA | |
| Qatar | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited |
| Romania | Citibank Europe PLC | |
| Russia | AO Citibank | |
| Saudi Arabia | The Northern Trust Company of Saudi Arabia | |
| Serbia | UniCredit Bank Austria A.G. | UniCredit Bank Serbia JSC |
| Singapore | The Hongkong and Shanghai Banking Corporation Limited | |
| Slovakia | Citibank Europe PLC | |

| | | |
|-----------------------------------|---|---|
| Slovenia | UniCredit Banka Slovenija d.d. | |
| South Africa | The Standard Bank of South Africa Limited | |
| South Korea | The Hongkong and Shanghai Banking Corporation Limited | |
| Spain | Citibank Europe plc | |
| Sri Lanka | Standard Chartered Bank | |
| Sweden | Skandinaviska Enskilda Banken AB (publ) | |
| Switzerland | UBS AG Switzerland | |
| Taiwan | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (Taiwan) Limited |
| Tanzania | Standard Chartered Bank (Mauritius) Limited | Standard Chartered Bank Tanzania Limited |
| Thailand | Citibank N.A., Bangkok Branch | |
| Tunisia | Union Internationale de Banques | |
| Turkey | Citibank A.S. | |
| Uganda | Standard Chartered Bank Uganda Limited | |
| Ukraine (Market Suspended) | JSC "Citibank" | |
| United Arab Emirates (ADX) | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited (DIFC) Branch |

| | | |
|--------------------------------------|--|---|
| United Arab Emirates (DFM) | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited (DIFC) Branch |
| United Arab Emirates (NASDAQ) | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank Middle East Limited (DIFC) Branch |
| United Kingdom | Euroclear UK and Ireland Limited (Northern Trust self-custody) | |
| United States | The Northern Trust Company | |
| Uruguay | Banco Itau Uruguay S.A. | |
| Vietnam | The Hongkong and Shanghai Banking Corporation Limited | HSBC Bank (Vietnam) Ltd |
| West Africa (UEMOA) | Standard Chartered Bank (Mauritius) Limited | Standard Chartered Bank Cote d'Ivoire SA |
| Zambia | Standard Chartered Bank Zambia PLC | |
| Zimbabwe | The Standard Bank of South Africa Limited | Stanbic Bank Zimbabwe Limited |

Appendix 6

Other authorised funds managed by the Manager

Authorised Contractual Schemes

TM Brunel Pension Partnership ACS

Authorised Open-Ended Investment Companies

Abaco Fund ICVC
Arch House Fund
Ariel Fund
Bryth ICVC
Canterbury Investment Fund
CP Investment Funds
Destiny Fund ICVC
Harroway Capital ICVC
Hawarwatza Fund
Liberio Portfolio Fund
Lime Grove Fund
Meadowgate Funds
Moulsoe Fund
Scarp Fund
Skiwi Fund
The Ambrose Fund
The Astral Fund
The Capital Link Growth Fund
The Contact Fund
The Diversification Fund ICVC
The Dunnottar Fund
The Global Multi Asset Fund
The Gulland Fund
The Hector Fund
The Juniper Fund
The Lockerley Fund
The Mazener Fund
The MCMLXIII Fund
The Motim Fund
The Northern Funds
The Oenoke Fund
The Ord Fund ICVC
The Overstone Fund
The Penare Fund
The Saint Martins Fund
The Staderas Fund
The Stratford Fund
The Sun Portfolio Fund
The TBL Fund
The TM Lancewood Fund
The TM Mitcham Fund
The Torridon Growth Fund
The Vinings Fund
The Wharton Fund
Thesis JDS Fund
TM Acer Fund
TM Admiral Fund

Authorised Unit Trusts

BPM Trust
Eden Investment Fund
Elfynn International Trust
Glenhuntley Portfolio Trust
Hawthorn Portfolio Trust
KES Diversified Trust
KES Ivy Fund
KES Growth Fund
KES Income and Growth Fund
KES Strategic Investment Fund
Latour Growth Fund
Lavaud Fund
Mossylea Fund
Pippin Return Fund
The Argo Fund
The Castor Fund
The Darin Fund
The Delta Growth Fund
The Deribee Funds
The Eldon Fund
The Endeavour II Fund
The Hall Fund
The Iceberg Trust
The Maiden Fund
The Millau Fund
The Norfolk Trust
The Notts Trust
The Palfrey Fund
The TM Stockwell Fund
The White Hill Fund
Thesis Headway Fund
Thesis Lion Growth Fund
Thesis PM A Fund
Thesis PM B Fund
Thesis Thameside Managed Fund
TM Balanced Fund
TM Chainpoint Fund
TM Growth Fund
TM Hearthstone UK Residential Feeder Fund
TM Managed Fund
TM Masonic Charitable Foundation Investment Fund
TM Merlin Fund
TM New Court Fund
TM New Court Growth Fund

Authorised Contractual Schemes

Authorised Open-Ended Investment Companies

TM Balanced Growth Fund
TM Brickwood Funds
TM Brown Advisory Funds
TM Brunsdon OEIC
TM Cerno Investment Funds
TM Cresswell Fund
TM First Arrow Investment Funds
TM Hearthstone ICVC
TM Investment Exposures Fund
TM Investment Funds
TM Lime Fund
TM Natixis Investment Funds U.K. ICVC
TM Oak Fund
TM Oberon Funds ICVC
TM OEIC
TM Optimal Funds
TM P1 Investment Funds
TM Redwheel Funds
TM Ruffer Portfolio
TM Stonehage Fleming Global Multi-Asset Umbrella Fund
TM Stonehage Fleming Investments Funds
TM Tellworth Investments Funds
TM Total Return Fund
TM UBS (UK) Fund
TM Veritas Investment ICVC
Trowbridge Investment Funds
Vastata Fund

Authorised Unit Trusts

TM New Court Return Assets Fund
TM New Institutional World Fund
TM Preservation Fund
TM Private Portfolio Trust
TM Stonehage Fleming Global Equities Fund
TM Stonehage Fleming Global Equities Umbrella Fund

Appendix 7
Directory of Contact Details

| | |
|--|---|
| Manager | Thesis Unit Trust Management Limited Exchange Building St John's Street Chichester West Sussex PO19 1UP |
| Administrator, Transfer Agent, Registrar and Fund Accountant | Northern Trust Global Services SE, UK branch 50 Bank Street Canary Wharf London E14 5NT |
| <i>Dealing Office</i> | Thesis Unit Trust Management Limited Sunderland SR43 4AZ Tel: 0333 300 0375 |
| Auditors | KPMG LLP 15 Canada Square Canary Wharf London E14 5GL |
| Custodian <i>Principal place of business:</i> <i>Who may also act under this power through its London branch:</i> | The Northern Trust Company 50 South LaSalle Street Chicago Illinois USA 50 Bank Street Canary Wharf London E14 5NT |
| Trustee | NatWest Trustee and Depositary Services Limited House A, Floor 0 Gogarburn |

| | |
|--|--|
| | 175 Glasgow Rd Edinburgh, EH12 1HQ |
| Investment Manager | Thesis Asset Management Limited Exchange Building St John's Street Chichester West Sussex PO19 1UP www.thesisam.com |
| Financial Conduct Authority (FCA) | 12 Endeavour Square London E20 1JN |